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WEEKLY NEWSMAGAZINE

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MARCH 29, 1999

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From The Editor

Joe Clark is back—in time

Joe Clark is back—striding purposefully through the corridor, nodding “hello, hello” to each passerby, sitting down at the head of the table to take questions from reporters and editors, several of whom were there when he started out on his first quest for the prime ministry more than 20 years ago. It’s as if he has stepped into a time

machine. Despite the extra pounds and pronounced jowls, there is the same blurring of the lines that knew so well the same magnificence about policy—and the same fundamental decency streak that has been the hallmark of his political career. Joe Clark is a person you could spend a weekend with at the lake. The question that still lingers is, would he make a good prime minister?

The odds are formidable. During a meeting last week with the *Maritime* editorial board, Clark conceded, “It’s a long shot.” With only 20 Conservative seats, his party’s debt is “a little below \$10 million” and corporate govern are sitting on their hands. But he is adamant that he can win seats in Western Canada, although he admits that “Reform under any form is going to take a long time to whether—he actually drew a parallel to the Crediton of rural Quebec who hung on despite the seers by Pierre Trudeau in 1968. Personally, he plans to step out of the Commons for now, travelling the country, still he can run in Calgary or Edmonton.

He has absolutely no interest in talking to Preston Manning about “the holding of my party—absolutely I don’t have anything to talk about. I’m interested in drawing together the same people he is interested in drawing together.” He is convinced that the Reform caucus in Ottawa is “sexually divided” and lacking “people



who were able to stand at the solid centre and bring other people in. Why’s at the solid centre of the Reform party?”

He believes he has a larger view of the country than Manning. “Preston, after all, comes down here carrying the full baggage of people who are suspicious of the East,” says Clark. “To be sure, it is a sentiment he understands. He recalls going to work in Toronto at age 19 with the usual westerner’s suspicions about the city and a fellow editor on the desk at *The Canadian Press* introduced him around.” “That,” he adds, “hasn’t happened with a lot of people around Manning.”

Clark is concerned that so many young people are attracted by opportunities outside of Canada, but offers no clear ideas on what he would do about it. “I don’t know how to do this,” he admits. His indifferent view of Canada has not changed since the 1970s. He believes there are “natural forces” that attract many people to come back to—or stop—at home. “Even if there are not strong attachments to the national community, there are very, very strong attachments to local communities across the country,” he says. “Is there some way that can be translated to inform the definition of what Canada is?”

Maybe we need a phrase like “a community of communities.” Goodbye. We have heard it all before. And Clark recognizes the problem. “There is no doubt that we will have to lose, by the time the election comes, a quite specific pattern. People aren’t elected on old memories.” Nor, he leaves, on charisma.



Clark: community of communities

Robert Lewis

Newsroom Notes:

Too close to home

One of the first lessons that aspiring journalists are taught is to try whenever possible to put personal feelings aside. Sometimes, that is hard to do—as was the case last week when Associate Editor Susan McNeil and Researcher-Reporter Shanda Denzel covered the case of Thomas Dewail, the Lexington, Ont., man who pleaded guilty to drowning his 12-year-old son and 10-year-



Denzel (left), McNeil faced haunted by a tragedy

old daughter in a case of obsessive love. Along with the horror of the case itself, the story had particular resonance for Denzel. She was born and raised in Lexington, and remembers seeing Dewail as a customer when she worked at a video store in her teens. Going home under these circumstances, Denzel says, she was particularly struck by “how in a small town, everyone’s lives are connected, and everyone is affected by the loss of two children.” For her part, McNeil, who was born and raised in Toronto, says that after hours spent sifting through photographs and interviewing acquaintances of the children, “I was haunted by their smiles. That is all anyone could talk about.”

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Gates: how could Linux usurp Microsoft?

Microsoft and Linux

I had wondered the belief that the Linux computer operating system may usurp Microsoft (THE GAZETTE, "Cover, March 15). As Microsoft Corp. has run into legal difficulties for going away from Web browser, will Red Hat Software Inc., which distributes a popular version of Linux, be immune to problems for providing free operating systems? I readily concede that Microsoft, and other top corporations, will do anything possible to keep their market share. Yet I still use Windows 98. The reasoning is simple—it is unequivocally the best for my needs.

Sandy Scott
Calgary

It was interesting to note your hype on Linux as an alternative to the Microsoft business industry for the past 20 years. I believe Unix-derived operating systems are actually in an otherwise dog-eat-dog business. So many companies have passed into obscurity (Pitman, Comarc, Corp, CDC, Unisys, Alan, Amds, etc.) that for an operating system to

have reached the age of 30 as Unix has is worth some attention. During the past 15 years, virtually every computer vendor (except a proprietary operating system) has claimed that Unix is dead. This is a message I have become somewhat skeptical of.

Ron Massey
Edmonton, Alta.

After reading your story on Bill Gates, and other computer-related articles in the same issue, I'm a bit apprehensive about the implications that pretty soon we will not be possible without being tied to the Internet. Because my employer, like nearly all companies big and small, has embraced computer operations, I'm slightly fearful with my imminent retirement I will be able to say goodbye to the dreaded keyboard. In the world you picture, this seems hardly likely. The only bright spot was the story about the inability of the computer to translate languages ("Dialects of intransigence," Tech category). It's nice to know that humans still have a function to fill.

Christian Meib
Port Georville, S.C.

Hope for a cure

Your article has done a great service to all of us who have (chronic) "Myotonia congenita," (Gazette, March 15). As an elderly woman, recently diagnosed with this disease, I have found it difficult to explain my symptoms to others. The usual cheerful reply is to attribute my fluctuating memory loss and unexplained bouts of fatigue to "just aging." Also, I understand that much research is going on and we may find more relief soon, if not a cure.

Debbie Reynolds
Vancouver

'Selling out'

My reaction to reading about Ralph Lauren buying out the Club Monaco retail chain was the same as Club Monaco co-founder Joseph Miran sticking out it. "Here's another Canadian selling out to an American as soon as their success" ("Pole catapulting in," Business News, March 15). I was disappointed as Miran and the Club Monaco chain for years. I have greatly

Canadian whine

I am disappointed to see that Miran's complaint to help spread the myth that Canadians are overtaken ("Future shock," Cover, Feb. 15). When this country is repeatedly cited as being the best place to live in the world, and when the costs of providing infrastructure over such a huge land mass with a relatively small population are considered, there should be little cause for serious complaint, even if we were the most highly taxed nation. Yet our tax rate places us about the middle of the 29 OECD countries. That is definitely a bummer. This is the ideal time of the year, as we prepare our tax returns, to remind us all how well-off we are when it comes to our overall tax burden. It might even reduce one of Canada's worst features: the nearly incessant whining of its citizens as they complain about how tough they have it in the best country in the world.

Robert Chender
Atkins, Ont.

bought Club Monaco merchandise, choosing it over stores like The Gap because not only does Club Monaco produce high-quality clothing, fashion accessories and cosmetics, it is Canadian and conscious of social issues. This purchase reaffirms that the American idealism of culture in Canada doesn't stop at entrepreneurs, names, music or sports. I fear that nothing distinctly Canadian exists. This is a discouraging thought for a nation only 131 years old.

Ann Thompson/Edmonton,
Ontario

Newfoundland soul

As a Newfoundland resident living away, I thought your article was excellent ("Fifty years of Confederation," Canada/Special Report, March 15). It told every hard truth. Almost two years ago, a couple of my friends and I made the long journey from St. Anthony, Nfld., to Alberta, looking for work. We all agreed that no matter where

CLARIFICATION

In the issue of March 15, Michael may have inadvertently left the impression that Ivan Piccini, now CEO of CTV, was responsible alone for the decision to move the CBC national TV news to 9 p.m. when he served as CBC vice-president. In fact the decision in 1992 to move the news was made by a team of CBC executives, journalists and producers, approved by the CBC board and announced by then-CBC president Gerald Vellios.

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swidely some political whim or some new thinking at the Ontario ministry of education. There were always new guidelines with little information as to how they were to be implemented. There were always deadlines, most often quite unrealistic. The government has attempted to lay the blame for the turmoil squarely on the shoulders of the old school board system and its "overpaid and underworked" teachers. In fact, much of that blame should be placed on the ministry and its functionaries who, for years, have shown varying degrees of bureaucratic incompetence and lack of foresight in planning for the future. As for enlisting retired teachers back part time? Good luck. Having swindled the roses, I suspect most retirees will opt to spend their time in the garden.

*Bill McHugh
Alba City, Ont.*

Transfer payments

Thank you for the excellent coverage concerning federal health and social transfer payments ("Numbers game," *Canada's News*, March 9). I hope all Canadians—both within and outside of Quebec—will now begin to see the Paris Quebecois for what it is: a sick organization that would so

contemptuously deceive the very people who voted for it. It is just plain cruel to turn Canadians against each other by misrepresenting the amount of money the federal government transfers to their respective provinces. If Quebecers believe they are being misinformed, and that Ontario, for example, is getting preferential treatment, then it follows that they will jump at the chance to change places with the Ontario populace. Liar one, an agreed-to exchange: my per capita 1998-1999 transfer payments (\$850) for Beaudouin's "shortchanged" payments (\$1,500). Enlist his dissent.

*T. M. Belliveau
Mount Forest, Ont.*

I have lived in many provinces, including Quebec, and until recently I believed that it was critical to have that province remain as Canada. Your article, combined with Quebec Premier Lucien Bouchard's threat of an officer's platoon in the same terms, has moved me to the other camp. Based on your calculations, Ottawa will be giving Quebecers cash-basis in the next six years as equalization payments. As a very prosperous province, larger in many ways than either British Columbia or Alberta, will Quebec ever join them as a "have" province? Can we afford to keep sending raffish dollars to a part of

the country that doesn't seem to want us? If they vote to leave, we should cooperate fully and then get on with our own agenda.

*R. E. Macdonald,
Toronto*

Opportunity knocks

Finally someone has the guts to admit: "Canada is losing its most creative citizens." "Tories are driving our best brains out of the country. We can't keep losing the best of our great pool and hope to compete," complains ID Tech chairman Charlie Butler, as quoted by Peter C. Newman. ("The biggest threat to Canada's future," *The National's Business*, March 9). It is my contention that the cat is already out of the bag and has been for quite some time. This unpalatable information brings me to this realization: the minds capable of solving the problem have long ago left the plot.

*D. Grant Dillies,
Regina, S.C.*

I think the biggest threat to Canada's future is media bias. That Macdonald's title is the story "The biggest threat to Canada's future" and *Nightlights* "Tories are driving our best brains out of the country" (when the obvious neopaganistic article devoted one paragraph to the issue) leads me to believe that

Macdonald's, Peter C. Newman and Charlie ("We don't lose the creative ones") Butler cannot see the forest for the trees. People (and businesses) leave Canada for opportunity. The majority of Canadians acknowledge the greater level of service they receive for their taxes as surely as they acknowledge that living productivity in the global arena is Canada's greatest threat.

*Sherry Weiss,
Mississauga*

Helping the homeless

I was homeless in Vancouver for a six-week period in the winter of 1994-1995 and found your article quite interesting ("Small solutions," *Canada's Special Report*, March 9). In Calgary, the Salvation Army runs a residence called The House, an 18-bed transitional residence for men who have full-time work, but need time to get situated. Rent is only \$500 per month, so given residents a chance to save for many permanent accommodations. In Vancouver, *Plasma's* Cafe trans-converts kids to work as table servers, cooks and kitchen help. This kind of on-the-job training provides a brighter future for those who thought it was pretty bleak at one time. Street life/homelessness strips people of any dignity and self-respect. Hard times are good in the short term, but a

hand-up approach is more effective for those who want to help themselves and leave homelessness behind them.

*She Macleod,
Peter Report, B.C.*

It is indeed good news that some people are working hard on the homelessness issue. However, I think the key point is that the rest of us and our governments are not doing enough. Why only "small solutions"? Do we think poverty in OK as long as it does not happen to us? Do we think the poor are somehow undeserving of a better life? Or do we think the poor are less human than we are? It appears we think poverty is all right as the problem is growing worse, yet very little is being done to solve it. How we answer these questions will say a lot about us.

*Tanya Dudaik
Mount Forest, Ont.*

Full-time parenthood

I found disconcerting the underlying message that full-time parenthood was only of interest to women. There was not one mention of a father who had a bad conscience for having to go to work and leave crying kids, no single case depicted a father who chose the career of full-time parenthood ("The mother load," *Cover*, March 13). Women-like

that exist. And fathers need to be encouraged. If we truly want to create a society of equal chances for both sexes, such a society would mean the possibility for women and men alike to choose a career of full-time parenthood. As long as the media depict the traditional image of living mothers while leaving fathers in the background, this model will be perceived as the only possible norm of parenting: mothers who carry the main burden and fathers who "help out."

*Arutha Sivasami
Ottawa*

It used to be that dad's wages paid the rent, bought food and left a little over for clothes and recreation. Thus all changed 25 years ago when dad's gross went sky-high. This accumulated mother hating to go to work. Children were, and are, being neglected. Getting out of school and going home to an empty house is devastating for kids. It all comes down to economics. High rents, low pay and long hours of work lead to neglected children, and we are making a sorry lament. Remedies slash income tax for families with children, provide after-school care and opportunities for kids, cut costs and lead parents improve wages. This will help low-income families to care for their kids. They are our most precious heritage.

*Margaret Gilbert,
Victoria*

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Another View



Charles Gordon Bungee jumping over Victoria Falls

You've got all your shots, started your anti-cultural pills, waited in countless lines, endured long, cramped hours on several airplanes to get to Africa, and the entire thing has pointed towards this moment: you are in the pretty Livingstonia Room of that historic colonial mansion, the Victoria Falls Hotel, watching a group of German tourists frothing to a four-piece Zimbabwean band playing soul-singing. *Candle in the Wind*. Small world, isn't it?

Professional travellers say this is what it has come to, a world so homogenized by tourism and television and the Internet and heavenly heaven what else that yesterday's banned song is Westminster Abbey is today's hotel ballroom dance number in Zim-babwe. The tourists make a distinction between themselves and mere tourists. They fear that the experience of discovering the world is being ruined by those who demand that that may be like home, that remote parts of the globe be supplied with all the comfort-able amenities of the less remote places from which they have journeyed. With the increasing reach of modern technology and the modern corporation, the foreign becomes less foreign, the remote becomes more familiar and the experience of foreign travel is diminished.

That's the argument made increasingly by professional travellers in the face of a boom in international tourism driven by the allure of exotic holiday locations. But the other day, a British travel writer wrote that "travel as a significant transformative experience is no longer possible" and quoted another writer bemoaning what he called the "McDonaldization" of travel—"The increasing effort to ensure predictability from one time or place to another."

Is that good? Well, there are certain signs of the global village out there, and the village is not without its rumo shops. Not far from the foot-bridging where historic railway bridge between Zambia and Zimbabwe over the Zambezi River. Clouds of mist from Victoria Falls billow up behind the bridge and the scene is just as it has always been.

One slight difference is the small structure at the centre of the bridge that you can see if you look carefully and if you look carefully into the ground structure you can see what appears to be fields of rope, which means that—Yes! Bungee-jumping has arrived at Victoria Falls. Consider for a moment how we have come to this point. The Falls, one of the most magnificent sights on the planet, sits here for centuries unacknowledged by the outside world, until a white man, David Livingstone, "discovers" it in 1855. Then a hotel is built, and a railway to carry white people to it. Then various businesses spring up around the Falls, from banking to the sale of carved hippopotamus, and entertaining is bungee jump-

ing, the Maasai way of celebrating any great natural landmark. (More traditional ways range from carving your initials into it to building a war museum beside it.)

The professional traveller, of course, would always want a bit of a hairy hotel room with a view, but now the hotel chain CNN in the room and just a 15-minute walk away are and can be but two internet cafes, perhaps the purest expression yet of McLuhan's global village. At the Internet cafe, tourists can use the computers to check their e-mail and send messages to friends and family in a way far more instantaneous than the exchange of postcards.

Inadequate phone lines keep Victoria Falls Internet cafes from operating at North American-style efficiency, but you can watch the customers and get the idea. It is now possible, thanks to Internet technology, for people to leave home without ever taking leave of their thoughts of home. From the telephone in the airplane to the Internet at the hotel or down the street, they need never be out of touch.

Professional travellers fear that discovering the world is being ruined by those who demand that away be like home

Of course, getting out of touch is what travelled to be about. You went somewhere that was not, say, Canada, and you tried to focus on thoughts of that new place, picking up thoughts of Canada again when you returned. Now, certain technological glitches aside, you need never leave home in your mind.

So, is all lost? Is real travel no longer possible, or even necessary? Only if we assume that everybody really travels in this new way. Much of the professional traveller's complaint is "mobility" arising from a restaurant that places once restricted to the few are now being viewed by the many and buses down up hills that once had to be scaled. Another thing to remember is that even if a tourist takes a bus up the hill, he is still seeing the hill, still seeing the view from the top of it. From that point of view, it is more and more possible to take something away from the hill. The criticism of the global village is that it is not real travel, it is not discovery, it is not the discovery of the world.

McDonaldization overlooks the fact that the McDonald's in, say, Lusaka (where, in fact, there isn't one), you first have to get there. And in getting there, you see scenes that are different and people who live differently. The currency is different, the sounds are different and the newspapers don't have the hockey scores.

It is true that you have to be particularly determined or know someone in order to find a way off the road, to see the forests on the Zambezi River or the crowded markets behind the walls of the impoverished townships near the modern city of Lusaka. But while not all tourists will get behind the scenery and into the daily lives of the people, they will at least have the opportunity to be affected by what they see.

To put it another way, you can't bungee-jump at Victoria Falls without seeing the Falls and you can't see the Falls without being moved by them. Much of travel is in our heads. For students that are not serious, travel can still be bungee-jumping.

Opening NOTES

Edited by TANYA DAVIES

Getting a kick out of Canucks

It was a shocking episode that vaulted the seldom-watched sport of field hockey into the headlines. The occasion was a 1998 Commonwealth Games men's qualifying game in Kuala Lumpur between Canada and the host country, Malaysia. After an unexciting draw, a controversial brace won goal, the Canadians—typically known as good sports on and off the field—started yelling and jeering the official. The ruckus reached a peak when the Canadian goalie, Mike Miloski, loosed over the Malaysian captain while the Malaysian was loosing in thankful prayer. The crowd of 14,000 angry fans hurled bottles and spit on the Canadian squad as it left the field.

But now the Canadians are being welcomed back with open arms. The men's team will participate in the prize game Sultan Azlan Shah Cup tournament from April 3 to 11. The silverware-wielder yesterday in the division competition surprised the Canadian side, though coach Stuart Vejeve thinks he knows the reason why. "The Malaysians are interested in saving our team play—and lose." After all, but black between the two nations field hockey organizations started rather than the Commonwealth Games. In 1996, the Canadian team accused India of deliberately play-



The Canadian team at the 1998 Commonwealth Games, angered Malaysians

ing to a tie with Malaysia—on outcome that allowed Malaysia to edge out Canada for a coveted berth in the Atlanta Olympic Games. And what is the official reason for inviting the Canadians? As one Malaysian organizer explains: "We have to consider which country can pull in the crowd." Bring on the games.

CAPITAL CONFIDENTIAL

At what point does a family struggling to get by slip into poverty? Surprisingly, Canada does not have an official answer to this question. Because there is no government-enforced poverty line, Statistics Canada's "low-income cutoff"—a relative figure that takes up how many more households than the national average spend 20 per cent more of their income on necessities—has long been used as a sort of proxy poverty line. The lack of an accepted statistic has led to bitter arguments over how many Canadians are truly poor. But as a poverty program has long received calls for developing an index—fearing the federal and provincial governments would try to define away of the poor out of existence. Now, Human Resources Development Minister Pettigrew is wading into the treacherous

debate. Instead, he is expected to meet with provincial social services ministers next month to discuss a new gauge of poverty.

On the table is a so-called market basket measure, developed by Pettigrew's officials. The MBM, which would vary across the country, estimates how much a family of four would have to spend on rent, food, clothing and other necessities to live decently. According to a preliminary version released to Maclean's, a family in a big Ontario or B.C. city had to spend at least \$25,184 toward poverty in 1996. In rural Alberta or Quebec, it was closer to \$18,900. The official



Pettigrew: redefining poverty

who designed the trial MBM knew it may be attacked as arbitrary, but it could shift Canada's view of poverty to something closer to real life: the cost of groceries, kids' shoes and keeping the landlord at bay.

EMPORIUM

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4. Manhattan \$230.45
5. Paris \$207.30
6. Edinburgh \$92.99
7. Tokyo \$90.53
8. Birmingham, England \$87.88

Note: of the 44 cities ranked, none were Canadian.

GOLDFARB POLL

When 1,400 Canadians were given a list of national icons and institutions and asked which helps define Canada, the most popular answer was the Order of Canada. By percentage of adults:

Order of Canada	36
The Jesuits	24
Canadian Football League	23
Health care	21
Maple syrup	19
Babe Ruth	17
Rocky mountains	16
Colours: blue	13

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1. Goldfarb's Canada Poll



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DOUBLE TAKE

Alys Robi

At 76, Quebec songbird Nys Bolo knows better than most how quickly life can change. As Canada's first hugely popular recording artist, she went from international stardom in the 1940s



Again, and in the 1940s

—including radio appearances on the *Jack Benny Show*—to rejoining a laboratory and spending six years in a mental institution. Even now, she remains passionate about her chosen profession. "I cannot live without singing," says Robi, who lives in Montreal and still performs in Quebec. "This is my soul food."

Robi began singing (a talent contests in her native Quebec City as well as a *Proseal* and with a haunting voice, she once won

Roba soon and learned how to tap dance while performing with Sunny Davis Jr. when he passed through town. She moved to Montreal where she was 12 and continued her performing. In 1940, she began singing on a Toronto radio show that featured Latin American songs, which became her specialty. Roba soon started appearing on network radio programs in New York City, including a number of performances on the *Jack Benny Show*. "I was always amazed," says Roba of her success. "But I had the talent to do it."

Her career reached its pinnacle during the mid-1940s. Robi landed a recording contract with RCA Records and also worked in England, performing on BBC Radio. She



BEST-SELLERS

FICTION

- Angie & Angie,
John & Carol (2)
The Boatman,
John Gershon (2)
The Love of a Good Woman:
After Women (2)
Home from the War Gate
Robert McLean (2)
The Possessed State,
Southern Gangsters (2)
In God,
Eugene Leonard (2)
The Raven: Nightfall,
Steven Seitel
Mr. Barclay's Ghost,
Roger McDonald
Mischance,
Joel Zimmerman (2)
Southern Cross,
Bettye Caswell (2)

November 1987, Marlett told him it was over and that she never wanted to marry him.

Donald reacted in disturbing ways. On Dec. 31, 1987, she caught him peering out the window while she and her children slept. That night, one of Marlett's daughters found him in their bedroom, lying in the same as a fetal position. He had overdosed on antidepressant pills and aspirin. Donald spent 72 hours in hospital. "I was worried I cured about him," says Marlett. But she wanted him to go away. Marlett moved, and the next few days her new address. Donald drove by every house in town and he found her car. Still, Marlett did not fully reject him. "I know it seemed wrong, but sometimes I talked to him. We were friends. I liked his company. I liked my life with him."

Marlett often told Donald she was concerned about his aspect of Jennifer and Christopher and his poor money handling. (Though he had a job at a division of General Motors as a sewing technician before the murders, Donald was forced to declare personal bankruptcy and lost his home.) Discouraged, Donald warned Marlett vigorously. She periodically agreed, agreeing to either of a chat. Last July, Marlett decided on a new task. She told Donald that she did not enjoy Jennifer's company, promising that he would not choose her over his children. Before that, Marlett talked several times with two of her sisters about that approach. One sister, she said, warned that "if you tell him this, within two weeks he will pick up the paper and find two teenagers killed dead." Marlett could not believe that someone with whom she had been so intimate could consent such an act.

But when she read her remarks about Jennifer, Donald was upset. He said that she expected "if it was me, I would have said 'I don't want you,'" says Marlett. "I said, 'I understand.' After that, he often raised the subject. 'How can you hate Jennifer?' he would say. 'She's just a little kid.'"

On Aug. 22, Donald came to her house. He paced, and complained about single parenthood. She recalls him saying, "I can't enjoy being around my kids. I can't handle their night now." Donald showed photos he took during a trip to Tobernogay, Ont., a scenic area he wanted to visit with her. Marlett was disturbed. She cried and told Donald never bring taking photos of his children to them, the two are perfect heads a step off. "I thought to myself, 'he recalls, 'he took them there to kill them.'"

The next day, he did so.

As soon as Dr. Canus, Dewald took over the case, he was troubled. The day of the drownings was sunny, the water calm and the children were good swimmers. Donald's injury didn't add up. Nor did his description of how he retrieved the children from the water. And the car was too small to be a hotbed, but Donald knew exactly where to find Christopher's body. "For an area," said Dewald, "in an area where both kids enter regularly, both could have drowned while one was saving the other. But there were no marks to indicate this."

Dewald's suspicion increased when he discovered that a week after the deaths, the children's belongings, including mittens, lunch



To him
So loving memory of Christopher
+ Jennifer Donald
They will be missed
Love Jim

Marlett going to court by first thought
me. "If my kid, what did he do?"

pants, clothing and even condolence cards from the funeral, had been thrown in the garbage. "No parent who has lost his children is able to see their children's belongings discarded so callously," said Dewald.

After visiting Donald on the night of the murders, a local Marlett contacted police. Two days later, she sent her children to her childhood. Marlett allowed police to wire her home and agreed to meet Donald several times over the next two weeks to try to extract a confession. In one session, Donald gave Marlett a photograph of the children with a message on the back. "To Jim—in love many of Christopher and Jennifer. Donald. They will be missed. Love Jim."

Marlett and the police staged meetings at her house, knowing that Donald would drive by and see them. Marlett told Donald that the police were asking questions about him. On Aug. 28, she said, "Police think I'm part of this. Tell me the truth or get out. With out me, you have nobody." Then, she asked, "Did you do it?" Donald held up a hand, gesturing for time. Marlett asked the question again. He nodded, mouth open. "Yes I did." Then, Marlett asked, "Did you kill them together or separately?" He crossed two fingers. Later, when Marlett asked why, he said, "Because I love you more than anything else in the world."

The next day, Donald confessed to police. He implied that circumstances—his wife's death, the pressures of being a single parent and his lack of money—drove him to kill them. Donald did not want them to be like his own. "Like me, you know," Donald said. "My kids should have it as his confession."

Until last week, Donald pleaded to enter a not guilty plea while lawyers worked the ruling on admissibility. When a judge ruled they could be introduced as evidence, Donald pleaded guilty to two counts of second-degree murder. Both charges carry life imprisonment.

The graves of Jennifer and Christopher, adored by thousands, lie side by side and at the foot of their mother's resting place in a house where Donald grew up, and where they died. A dirt road winds around the graveyard, where deer feed refuge and waves lap at the shore.

Donald and Marlett have not spoken since his confession. During her interview in her third-floor Lewistown apartment, Marlett smoked, drank black coffee and sat cross-legged on the floor, often stuffing tears. The silence was filled at one point with the mournful song *Ordinary Love* by the singer Seals, with its too-appropriate lyric "I keep crying, I keep trying for you."

Donald, Marlett knows, would do anything to ensure that they were linked together. She no longer sees that as selfless devotion. Says Marlett: "He did whatever he could for himself. At first, I felt compassion. Now, I think he's as normal." But in one way, she knows he achieved his goal: she will never again be able to put him out of her mind. □

A Prairie titan's fall

A Saskatchewan senator may face a year in jail

He was the big fish in the small pond—the deputy premier who, everyone knew, truly was Grant Devine's Saskatchewan government in the turbulent 1980s. But when Senator Eric Bernson was sentenced last week to a year in jail for defaming taxpayers of \$41,786, the riggles extended all the way to Ottawa. Saskatchewan residents—those who have not turned out the long signs of provincial Tory corruption—were struck by two images of Bernson. One was the jovial, state-faced power broker they had come to know. The other was a broken man, nearly incoherent, pleading his confession, citing the strain of events and his work on behalf of literacy and handicapped children.

Except for one day in the Court of Queen's Bench—just before Justice Frank Gervin sentenced him to a year in jail—Bernson has been in the shadow of trust and "a day for Saskatchewan"—Bernson has maintained a public silence. That has left most Canadians with another indelible image: that of another Tory minister fired from court or in jail—only to return to a Senate seat, pending appeal. Both Bernson, 57, and Senator Michael Gagger, 60, who was convicted last July of offence pending, showed up unexpectedly for Senate hearings.

Media today say that the Senate is an isolated corner of the upper-sunbelt while outside of the Senate, the Senate is the Senate. Bernson and New Democrats in the Senate House of Commons.

Bernson will resign if his conviction is upheld, his lawyer said, while Gagger has made as such commitment. Until his legal troubles, Gagger was a backroom operator for the Saskatchewan Conservative Party. Bernson, on the other hand, has long been a public figure in his home province. A farm boy who joined the army at 16 and made the personnel opposition Tories in his 30s, he spent 15 years in the legislature. During nine of those, the Tories were in power but what became a wild interlude of the party



Bernson and wife Jane leaving a Regina courthouse in shadow of trust

prime and a number of debt and riches between two years pending NDP reforms.

Still, the 15-Conservative vote was convicted in the biggest political scandal in Saskatchewan history. Bernson's crimes were not the most serious. He was given a year in jail and ordered to pay restitution for pocketing money intended for secretarial services in his constituency. He was accused of a more serious charge of diverting publicly funded census money to party coffers. But because that is an election year in Saskatchewan, with a vote expected in June, the fate over Bernson is unlikely to be seen. "The continuing saga of Tory intrigue can't hurt the NDP," said Gerry Sperry, head of political science at the University

Regina. "You can't certain people are passionate about this government, that there is a vacuum of leadership on the other side."

In fact, the Liberals, who imprisoned former leader Lynda Riverstock shortly after she ousted them over the Tories to official opposition status in 1986, have a new leader. Jim McInnes, a family doctor who has lost his previous two attempts at office. Meanwhile, Conservatives voted in 1987 to close operations for at least 16 years. Some went to the Saskatchewan Party, a loose brew of disaffected Liberals and Tory MLAs formed in August, 1987, and led by a former Reform MP, Elton Hermanson. With nine elected MLAs (five ex-Liberals, four former Conservatives), they form the official opposition.

That has been enough to keep them under the close scrutiny of the Premier Roy Romanow. The premier's decision to talk about the Bernson case—but has no criteria about referring to his Saskatchewan Party opponents as the "Saskatchewan Tories," leaving them at least indirectly to the members of the post. In last week's three-hour speech, the NDP provided an inventive new bill that would require any elected members who want to cross the road to receive their seats and work reflection under the new banner. Bernson's victory of Saskatchewan political scientist David Smith. "It's a historic proposal that thirty senators in purpose."

Screening news. Bernson's NDP now comprises a second term, appears in good shape for a new vote. After a year of political noise, the NDP has the NDP as the first choice of 54 per cent of decided voters and leading in all areas of the province. The Saskatchewan Party leads at 22 per cent, while the Liberals have a high of 18 per cent. The only party that has a fight.

The only news that may postpone an election call, Romanow says, is an unreported wage dispute with provincial nurses. But he may also be thinking hard about the NDP's much publicized trouble in British Columbia, and the basement-level resource protest that made Saskatchewan the only province to post any employment gains in 1988. Saskatchewan's well-known source of fair play should keep Bernson's name out of the election. But that has not yet been in every campaign stop.

ROBERT SHEPPARD



Education pays back last year's Supreme Court ruling: couples step towards equality

Not with standing

Alberta sends mixed signals to homosexuals

When it comes to greasing fiscal conservatism, Alberta Premier Joseph Klein can post a judge with the best of them. But on social policy—especially when it touches on religious and moral sensitivities—Klein's greasing efforts tends to waver. So it was with some obvious reluctance that the premier last week overturned a last-summer private ruling of his 14-member Conservative caucus in dissent regarding gay rights for homosexuals. The issue had been festering since last April, when the Supreme Court of Canada decreed that gays and lesbians would be granted protection under the province's human rights act. Klein, in turn, had to fend off a vigorous campaign among social conservatives in his caucus who wanted to erode the federal Charter of Rights and Freedoms clause to nullify the ruling. "That thing is coming at us," Klein had told reporters before last week's meeting. "It's like that train. You can't stop it, you have to deal with it."

But by the time Tory MLA emerged from their caucus, it was clear that the train had barely hit the station. Apart from a leading-grubbing note that Alberta would nonetheless invoke the notwithstanding clause to block any move to sanction gay marriages—something neither the courts nor the federal government have yet contemplated—the Klein government deferred

or delegated many of the thorniest questions regarding gay rights. On same-sex benefits, the caucus said it would "develop a policy framework." It will "consider" allowing gay couples to register their relationships and, over time, assume the same benefits and obligations as heterosexual couples. As for allowing gays to adopt or become foster parents, the Tories said that choice should be left to crownworkers and "rafted on what is in the best interests of the child."

Most pundits saw the moves as a typical Klein compromise engineered to appease the social and religious conservatives who make up about one-third of his caucus—and who include influential farmer and deputy premier Stoodewell Day. At the same time, the government may have backed enough on gay rights to ward off future court challenges. In the short run, the grudge worked, as criticism was muted on both sides. Traditionalists focused on the hard stance against gay marriages, gay rights groups were relieved that—with the exception of gay unions—the government promised a referendum before putting the notwithstanding clause to further use.

All the same, Alberta is moving more cautiously than many other jurisdictions on expanding gay rights. British Columbia has passed legislation allowing same-sex parents to adopt children. Quebec has decreed that gay and lesbian couples' law complex must be treated the same as heterosexual ones. And last week, Ottawa signaled that it will soon extend federal civil servant pension survivor benefits to same-sex spouses.

That has led some critics to ask whether the Klein government's reluctance to embrace gay rights is reinforcing redneck stereotypes about Albertans that persist elsewhere in the country. But political scientist Roger Giddins, who is president of the Calgary-based Canada West Foundation, rejects that notion. "What gives the name here," he says, "is not that Albertans are more homophobic, but that it gets baked to larger ongoing political issues about the courts and cultural institutions setting standards for the province." Giddins suspects that Albertans' attitudes towards gay rights are not so different from their fellow Canadians. "A provincial government poll of 1,000 Albertans last fall found majority support for extending equal financial benefits to same-sex couples—as well as for allowing gays and lesbians to adopt or foster-parent children under certain circumstances. But gay marriages are opposed by a margin of 56 to 39 per cent among devoted respondents."

Those figures aside, there is a distinctive political dynamic driving the debate in Alberta. Giddins notes that "Klein is personally very much an urban, secular liberal" on matters such as gay rights and abortion. But in contrast to his liberal agenda, the Tories have not developed a cohesive position on moral issues.

Then many gay rights activists draw a distinction between the Alberta government and the views of ordinary Albertans. "It is not necessarily true that Alberta is the last redneck bastion," says Ryan Bennett, a 35-year-old town planner who is a volunteer worker with Calgary's Gay-Lesbian Community Services Association. "No one in Alberta votes in terms of gay rights; they vote on economics, not social issues."

But there, a 30-year-old, openly gay Calgary engineer, blames the prolonged debate on the disproportionate clout that social conservatives wield in the caucus and cabinet. Benn suggests that a very small minority of Albertans vehemently oppose gay rights. "And yet that faction is so vocal and well-organized," he laments. "It has the ear of government." Last week's closed door deliberations suggest that remains the case.

ISSUAN FERGUSON with John Hume in Calgary



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Canada NOTES

MAGAZINE MACHINATIONS

By a margin of 136 to 45, members of Parliament passed Bill C-36, the legislation aimed at protecting Canadian magazines against "rip-off" versions of American magazines. The controversial bill would prohibit Canadians from advertising in such magazines. But with talks continuing between Ottawa and Washington in an effort to reach a compromise, the bill's terms may never be implemented.

BIOCHEM CHARGES

Four people faced charges in Quebec court for their alleged role in the 1997 bombings of BioChem Pharma Inc.'s head office and factory in Montreal. One of those charged was Paul Berthia, 37, the police informer whose testimony about the four explosions set off at BioChem Pharma's locations led to the arrests. Police believe the bombings, which caused no injuries, were intended to lower the company's stock market price.

ASSESSING EI

The federal Liberals faced embarrassment after a report concluded that 1996 changes to the employment insurance system hurt women and young people—both of whom were supposed to benefit. The reworking report showed that successful EI claims by women have fallen 20 percent, while the number of people under 25 who collect EI has fallen by 27 percent.

USHER DENIES ABUSE

John Paul Roby, the former usher at Maple Leaf Gardens who faces 57 charges of sexual abuse of youngsters, denied the charges. Roby, 55, described his upbringing in a Quebec orphanage, and his enforced move to an Ontario boot farm at age 16. He appeared bewildered about Roby of the allegations, and denied knowing anyone accused, while expressing affection towards others.

HOSTAGE-TAKING ARREST

A Canadian who was fighting with Boran Borisov four years ago has been arrested in Germany in connection with a hostage-taking incident that was televised around the world. Ottawa wants to have Nikolai Ribes, 35, formerly of Edmonton, extradited to face kidnapping charges that involved chivying Canadian Capt. Capt. Reithner to a job.



A PITCH TO KILL: As Newfoundland sealers left for ice floes to begin the spring hunt, debate erupted over the eating habits of seals. Newfoundland Fisheries Minister John Efford showed a video depicting thousands of gutted cod on the ocean floor—killed, he said, by a marauding seal pack. Efford said seals must be culled to help cod stocks recover, but that assertion was challenged by the International Marine Mammal Association which claimed seals are the likely culprit because seals swallow fish whole.

Chrétien's local initiatives

Prime Minister Jean Chrétien faced opposition charges that he came "close to influence peddling" after the revelation that a senior aide attended a meeting in which civil servants considered whether to give a grant to a man who had bought a hotel from the Prime Minister. Shewanigan businessman Yves Dubéault bought the Grand-Mère Inn from Chrétien and his partner in 1993. In 1997, Dubéault applied for a grant to expand the property. Denis Tremblay, the Prime Minister's special representative in his St. Maurice riding, attended the meeting at which the application was reviewed. A consultant's report concluded that the inn was badly managed and carrying too much mortgage debt and

suspect bills of \$550,000. As well, Dubéault has a past criminal record for charges that include assault. Still, he received a \$164,000 grant, and another \$555,000 in loans. Tremblay's aide, at the meeting, said former MP Chuck Strahl, sent a "nice message to the bureaucrats [this is a friend of the Prime Minister, so let us cough up the cash]." But Chrétien said his representative attended simply out of concern for the riding's job-creation needs. The Prime Minister already faced opposition criticism that a contract worth as much as \$150,000 to build a security nest in his riding cottage was awarded without tender to Brendt Charrier, a Liberal party contributor who is also Dubéault's father-in-law.

Glen Clark's secrets

Embattled British Columbia Premier Glen Clark had quite a week. First, Auditor General George Morfit concluded "crucial information" was missing from 1995 and 1996 budgets. Both times, the NDP predicted a balanced budget, but ended up with large deficits. Then, a forensic auditor concluded Clark's

office worked covertly with a labour union to fight small companies of three NDP MLAs. Then, the RCMP searched his office as part of an investigation into the awarding of a casino license to a Clark friend. Finally, Finance Minister Jay MacPhail said she expects a deficit of \$665 million—\$301 million more than projected. A poll showed one-fifth of voters approve of Clark's performance.

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THE GAMES BEGIN AGAIN

The IOC delivers its promised reforms, but critics say the moves do not go far enough

World

SPECIAL REPORT

The bar at the Palace Hotel in Lausanne breathes old money, the sort expected in a suburban but five-star Swiss lodging where the price of a room starts at \$400 a night and guests agree. The walls are red velvet, the ceiling wood-paneled, the seats dark leather. It is the kind of place that in condescending to the European Establishment, people like Prince Albert, heir to the throne of Monaco, who on that particular evening is leaning casually on the endcap for a sip of wine. The prince is in a relaxed mood, as is just about everyone else in the bar, none more than Olympic lawyer Richard Pound, the prince not least of the rest of the regular clientele, who are members of a social ruling class, the one that governs Olympic sport. And after two days of critical meetings in this lakeside city beneath the Alps, they are indeed with an unusual public sense of relief, even accomplishment. "Are we out of the woods?" asks Pound some time later. "Not yet. But I do think we've finally turned the corner."

While admitting the International Olympic Committee still has some distance to travel, leaders of the organization concede they took a giant step towards repairing a reputation of public trust last week. In two harrowing days of often emotional discussions, 30 IOC delegates from around the globe gathered behind closed doors in a cavernous Lausanne conference centre to hammer out a series of reforms designed to deal with the scandals that have beset the once pristine reputation of the Olympic movement's supreme governing body. They examined some of their own infelicitous and forced outright another similar corruption, bringing to 30 the total number of members who have been unceremoniously dumped from the IOC as a result of the sleaze



surrounding the awarding of the 2002 Winter Games to Salt Lake City, Utah.

At the same time, they created an interim structure to avoid a repeat of what happened in previous host competitions, where crises verging to stage each Games brought delegates' votes with hundreds of thousands of dollars in bribes, gifts and other favours. Looking further ahead, they set in motion a process to bring in outside experts to recommend critical top-level reforms of the IOC's entire governing officer. And finally, they embarked on a program that, if all goes well, will soon result in the appointment of a quasi-permanent standing committee on ethics, a watchdog composed mainly of independent authorities with Pound hopes, impeccable credentials who will police the IOC members' sometimes loose interpretation of moral conventions.

As the session in Lausanne drew to a close last week, the embattled president of the IOC, Juan Antonio Samaranch, could barely contain his satisfaction. The 75-year-old Spaniard, beset to doubt by the IOC members' overwhirl of 2 to 3 vote of confidence in his leadership, appeared rejuvenated as he sat before an assembled crowd of 700 international journalists to declare that the worst scandal in the Olympic movement's 105-year history was now in the past. "We were asked to clean the house—we did it," he proclaimed. "We were asked to reform our structures. We did it. We were asked to take measures to see that nothing like this will ever happen again. That, too, has been done. Now, it is time to move on. The world needs the Olympic Games."

Samaranch's claim that the worst was over left many observers scratching their heads. There remains widespread skepticism about the overall effectiveness of the reforms introduced in Lausanne, even among Samaranch's own colleagues. "What we did was start," remarked Mario Biondi, the Swiss delegate who helped fuel the current crisis by publicly revealing last December that members' votes were for sale in the Salt Lake City award. "Ask me one year from now." Biondi continued, "and I'll tell you if it's been successful."

Both of Canada's representatives on the IOC were cautiously optimistic. Toronto's Carol Anne Lethbridge, the Canadian Olympic Association boss who has been touched by a whiff of scandal herself in her city's bid for the 1996 Summer Games, claimed that "a shock of woe" had been accomplished in Lausanne. "There's been recognizable progress on reforms," she said as she waited at Geneva airport for a flight back to North America. Ironically, her antedraft concern was to satisfy sponsors that the scandal was behind them (page 34). "At the very least," Lethbridge said, "we now have something that we can sell to the folks back home." Pound, paraphrasing Winston Churchill, chose to characterize the outcome of the meetings as merely "the end of the beginning" rather than achieving substantial progress.

But many others within the Olympic movement suspected that while some members paid dearly for their indiscretions, others went unpunished. "Justice was not done here today," said Pinco Garrea, an Italian IOC member, after the his ex parte was expelled. "Only the weakest were picked on." And a group of retired Canadian athletes, including silver medalist speed skater Susan Auch, gold medal swimmer Mark Tewksbury and rower Peter Peck, issued a news conference in Lausanne the day before the IOC meetings began to announce the formation of Olympic Advocates Together (OATH). Members said the IOC's efforts to clean house did not go far enough, and called for more



Tewksbury (with microphone), Auch (bottom right) and Peck (bottom left) with members of OATH. The closed nature of the IOC and its lack of accountability have undermined the Olympic spirit.

dramatic reforms and greater transparency. "The closed nature of the IOC and its lack of accountability have undermined the Olympic spirit," said Peck.

Pound, a former Olympic swimmer who is not renowned for his tact, bristled at OATH's attempt to attract attention to athletes' concerns as "a belly flop," and questioned the wisdom of the group's corporate sponsor, state party giant, Niagara International Inc., whose boss, Bruce Strumack, is branching into the world of sports. But many of the athletes' arguments were echoed by Kevin Wainwright, director of the international centre for Olympic studies at the University of Western Ontario in London. Wainwright said the IOC has "done

the millions necessary to placate their sponsors. "The sponsors really worry I'm MacDonald, marketing director for the Dairy Farmers of Canada, which supports the COA," says last week's interview. "I'm not nervous, not nervous yet," he added. "They're gonna in the right direction, but I don't think we've heard the end of it."

The Olympic scandal broke last November when a Salt Lake City TV station received a document showing that its local Olympic committee was making a final payment to the daughter of Renee Lausman, the IOC member from Saskatchewan, for her authenticity expertise. Saranowich named Pound, a Montreal lawyer, McGill University's chancellor and one of the IOC's four vice-presidents, to head the ad hoc committee that investigated the scandal, and it was Pound's subsequent report, leaked at the Palais de Beaulieu executive center in Lausanne, that led to the six expulsions and nine censure motions.

If the investigation has been a strain, Pound betrayed few signs of it during the hectic round of Lausanne meetings or shortly after, when he took a moment to chat at the IOC's new glass and white marble headquarters on the shores of Lac Lemano right beside the Château de Vidy. Saranowich's elegant question that now serves as his executive offices. Pound said that with the investigation and the expulsions, the IOC had completed two of three stages in concerning the scandal. "Now what we have to do is implement the third stage, the reforms," he added. "We can't let this scandal define the time. The Saranowich-Gaetan scandal in Sydney in 2000, they say, we got public attention back to where it belongs, on the athletes."

Pound says he never wants to repeat the process that unfolded when the six accused IOC members were separately summoned to appear before 90 of their colleagues in the great hall at the Palais de Beaulieu. "It was a very humiliating day," he said. All six were accused of accepting cash, gifts and favors from Salt Lake organizers bidding to win their votes. Each was given 30 minutes to defend himself against the charges detailed in Pound's report. By all accounts, their presentations were flaccid, with, according to IOC senior vice-president, Pat Schmidt of Hungary, "no finger pointing or shouting." Once the defenses were complete, a vote was taken by secret ballot in a phyllophyl order. Expulsion required a minimum vote of two-thirds of the members present.

The process took 45 hours to complete. But when it was all over, none of the six had managed to win the required 30 favorable votes. Paul Wadsworth of Western Samoa garnered the most, with 19 votes against expulsion. Jena-Chance



Australia's Renee Cooper and Kim Un Yong, the South Korean, turned it would be 'too risky' to expel him

Gangs of the Republic of Congo earned the least, with only two delegates voting to ban them. The rest—Angola's Armory of Escalier, Zaire's Abdel A. Gade of Bédou, Lausanne's Kim of Mali and Sergio Santander Páez of Chile—engaged someone in between, Kim to Schmidt, a former Olympic fencing champion, to deliver the word to the waiting members. "All of them were very sad and upset," he said. "Mr. Wadsworth was crying."

The expulsions for corruption are the first in the IOC's history. Four members had resigned earlier rather than face scrutiny by their peers. More resignations may be coming as a result of several on-going investigations, not only by the IOC itself but also by jurisdictions in Canada, the United States, Australia, Japan, Russia and Britain. And there have not yet been serious examinations into the bid processes that won other recent Games—Athens in 1996, for instance, and Athens in 2004. "Stay tuned," Pound glumly remarked as he conceded the possibility of further action against the IOC membership. "If new facts surface, we have no option but to deal with them."

Most at risk in Kim Un Yong of South Korea, a member of the IOC's executive board who was once considered to be one of Saranowich's possible successors. Kim was one of the elite delegates to be censured in

Critics suggest that while some paid dearly for their indiscretions, others went unpunished

Lausanne, and he may yet fall if evidence surfaces that he was aware that the Salt Lake Organizing Committee arranged jobs for his children. Kim's daughter, Kim Hae-Jong, a concert pianist of reputedly modest ability, was hired as a guest artist with the Utah Symphony—she was given \$7,500 to appear, and SLOC bought more than 35,000 worth of tickets to watch her perform. Her brother John Kim, received a job with Keystone Communications, a Salt Lake telecommunications company. The job was organized by SLOC, which also paid his salary of more than \$300,000. So SLOC president Tom Welch and David Saranowich, the former head of Keystone, both insist that Kim Un Yong knew about his son's arrangement, but Kim has denied any knowledge about it.

Kim stepped last week in a confrontation with both Pound and IOC director general François Carrard. According to an eyewitness who requested anonymity, Kim, who is president of the International Badminton Federation, "freely lost it" on the terrace at IOC headquarters beside the Château de Vidy. After exchanging heated words with Carrard, Kim assumed a neutral stance, which prompted the IOC director general to run from the terrace shouting, "I quit!" When Pound intervened, Kim turned menacingly on him, but then backed off. When questioned about the allies, both Pound and Carrard dismissed it as "noise." "There was a brief incident," Pound acknowledged. "But that is now all behind us."

His speech, Kim promises he will not go quietly before he goes to Lausanne, he warned it would be "too risky" for his opponents to expel him. "When the chaos, I will fight back," he said. "I have a lot of ammunition." Professing innocence, he suggested he is instead the victim of efforts by some IOC members—mainly Pound—to oust him.

In an effort to avoid a repeat performance of the Salt Lake City scandal, the IOC's members agreed to limit their involvement in the bid process for the 2008 Winter Games. Delegates will no longer travel the globe to

visit bidding cities, and the bid committees will not be allowed to contact IOC members directly. The 2008 vote will be decided after a 16-member "electoral college" of winners-appointing panels down to two finalists, which will then be put to a vote of the full membership at a meeting in Seoul on June 18.

Future bids will be arranged under whatever system is recommended by a body the organization has dubbed the IOC 2008 Committee. This is envisaged as a 20- to 24-person group, composed equally of IOC members and leading personalities from the business world, government, academics and sport. Their task is to recommend sweeping changes in the IOC's structure, everything from the way members are chosen to the bid-selection process. Saranowich hinted that potential non-IOC members could include people such as Paul Heston, Governor Agnelli, former U.S. secretary of state Henry Kissinger and former European Commission chief Jacques Delors. Officials say they hope the committee will be appointed by the June meeting in Seoul and be in a position to propose reforms by the end of the year.

For closer tradition is the establishment of the IOC's proposed new ethics watchdog. It is expected to be a seven-member organization, made up of three IOC delegates and four independent experts with the kind of credentials that put their integrity above suspicion. All would be appointed to four-year terms and operate with their own budget. While no names have been released, the sources indicated that a shortlist of the four outsiders has already been prepared. The same sources suggested that Saranowich may be in a position to succeed last retired guardians within days, perhaps a week or two.

The fact that Saranowich intends to preside over the restructuring process has critics wondering if, in fact, the IOC is really serious about reform. "I still think they're living it fast, too fast if they think they can control the situation," says Peter Dinklage, director of the center for sport policy studies at the University of Toronto. There may be a better chance for change when Saranowich steps down, but Dinklage wonders if Pound, so often touted as the front-runner to be the man for the job. "Perhaps he will turn out to be a true reformer," Dinklage says. "But the only way he will succeed in that position will be to blow aside and keep his nose clean, by not playing the whistle, by doing the minimum."

So aware that they may be asked to anticipate the coming watchdogs, the IOC last week also embarked upon a new policy of fiscal transparency, disclosing full details of its finances for the first time since 1990. The figures offered a glimpse, among other items, of a hefty bank balance of more than \$800 million. They also revealed exactly how much it costs the organization to pay for Saranowich's permanent suite at the IOC's unofficial headquarters and luxurious watering hole in Lausanne, the Palace Hotel. Last year, Saranowich's hotel bill amounted to \$306,000. For the regular at the bar downstairs, a tab like that may well be a sobering thought.



The Republic of Congo's Gaetan: offenders accepted nearly \$1 million in cash, favours and gifts from Salt Lake expelions



Pound (left) and Carrard: the IOC's job is not finished until reforms are fully implemented

1998 JAMES HOGAN in Toronto

Amid the IOC scandal, Canadian Olympic boss Carol Anne Lethereau faces allegations of conflicts of interest at home



Lethereau in her Toronto office. "I think there's a move to arrest her."

SPECIAL REPORT

A WOMAN UNDER FIRE

BY JANE O'HARA

She is the most powerful woman in Canadian sport. But 56-year-old Carol Anne Lethereau looks was and tired behind her desk in the Toronto office of the Canadian Olympic Association. No wonder. Since the Salt Lake City bribery and corruption scandal erupted almost three months ago, Lethereau has spent countless hours defending the Olympic movement. As chief executive officer of the COA, she has had to soothe the concerns of corporate sponsors worried that the stretch of scandal might taint their products. Ever the loyal foot soldier, Lethereau has defended IOC president Juan Antonio Samaranch, calling the 76-year-old Spaniard "a good leader" while others around the world were calling for his head. "The whole Olympic movement should not be tarnished," Lethereau insists. "I'm having difficulty with the scandalizing—it is getting carried away."

There are trying times for anyone officially associated with the five rings, but they are doubly so for Lethereau, who is under attack at home for perceived conflicts of interest. Critics charge that she cannot effectively steer up for COA initiatives while also acting as

a member of the International Olympic Committee. As well, *The Toronto Star* recently reported that 12 years ago, when she was serving as a volunteer vice-president of the COA, Lethereau secured a paid consultancy with Toronto's bid to get the 1996 Summer Games. The COA, as it is also under fire for booked fundraising initiatives such as last year's money-losing Olympic lottery. There was also the embarrassing sex-Nagano rejection—to the chagrin of team members, the video presentation, which Lethereau presented and OK'd, was slanted entirely in English.

Lethereau reminds reporters that she, too, benefited from Salt Lake's largesse. An anonymous memo recently circulated to the worldwide media alleged that Lethereau had been given a free Jacuzzi, valued at \$50,000, by the Utah bid committee. Lethereau scoffs at the charge and says the rumors were fostered by the son of a fellow IOC member, Kim Un Yong. Kim was considered with Canadian Richard Pound to be among the leading contenders to replace Samaranch atop the Olympic movement. But Kim's chances were hurt when he was implicated in the Salt Lake scandal and was "severely embarrassed

last week's IOC meetings in Lausanne, Switzerland. Lethereau says the rumors were just sour grapes. "They can have a look for the scum," she says. "That story would be so ludicrous to put out there because it's so easy to disprove."

Lethereau also denies any conflicts of interest connected to her work with the Toronto bid. Back in 1987, she says, when a company she co-owned, M.I. Research, was hired by the Toronto bid committee, she was neither an IOC member nor the top executive of the COA—although she was one of the association's eight volunteer vice-presidents. At that time, Lethereau was a consultant, parlaying her international experience in amateur sports into a profitable business with a client list of more than 50 sports organizations. For 15 months, the Toronto bid paid Lethereau's company \$8,000 a month to devise communications and marketing strategies to woo Olympic delegates who would later vote on which city would get the 2008 Olympics. "We did all kinds of stuff," says Lethereau. "I was a sports person. I made my living in a business I'd been in since 1979. That's what I did and I did it well."

Norman Segerson, who ran the Toronto bid's finance and audit committee, told *Maclean's* that his organization benefited from Lethereau's extensive experience in the Olympic realm. Her contract was terminated, he says, only when members of the Toronto group discovered she was also consulting for the city of Hamilton, which was then attempting to attract the Commonwealth Games. (After she stepped being paid as a consultant, he says, Lethereau continued to work for the bid as a volunteer.) Still, the recent allegations prompted Toronto Mayor Mel Lastman to order an audit of the bid. "I don't want to continue her for something she may have done over a decade ago," said Lastman. "I'm not even certain there's a scandal yet."

Lethereau paid her dues on the way to the top. A physical education graduate from the University of Toronto, she worked in the 1960s as a volunteer coach and official in archery, volleyball and synchronized swimming, then gained prominence in gymnastics, judging it world and Olympic competitions in the 1970s when the sport was making the popularity of intercollegiate competitors such as the Soviet Union's Olga Karbat and Romania's Nadia Comaneci. Lethereau joined the COA in the early 1980s, and in 1988 she was named *de facto* manager of the Canadian team at the Seoul Summer Games—an appointment, it turned out, with a high profile. An act she announced Ben Johnson's positive drug test that stripped the sprinter of his gold medal. Over the next six years, she became the unpaid president of the COA, was named as IOC delegate and, in 1994, was hired to run the COA.

Lethereau says the recent attacks go with her lofty Olympic profile—she has made six trips in her 26 years in amateur sport. "I'm bringing something that happened 12 years ago into today's context, but 12 years ago I was a nothing," Lethereau said before flying to Lausanne to attend last week's IOC meetings. "I'm being targeted now because of my position. I think there's a move to arrest me."

Among Lethereau's loudest critics is Canadian skiing icon Ken Read, a former Capri Crayak who is now a Calgary businessman. Read says Lethereau should step down from one of her two positions, claiming that her IOC duties conflict with her job at the COA, a nonprofit organization with assets of \$96 million. "She's got to make her choice," Read said last week. "She



Read: "She should either be the paid employee of the COA or a member of the IOC."

should either be the paid employee of the COA or a member of the IOC. There are a number of times when these jobs conflict, when issues of TV revenues and sponsorships come up and what's in the interest of the IOC is not in the interest of the Canadian Olympic Association."

Insiders say the Lethereau-Read feud has been brewing since 1990, when Lethereau was chosen to replace Jim Worrall as Canada's second IOC member. At the time, Read backed one of Lethereau's opponents, Calgary's Roger Jackson, a gold medalist in power at the 1984 Olympics who had been president of the COA for eight years. But Read contends that while Pound lobbied against Jackson, Worrall promoted Lethereau—and Samaranch chose her as a result.

Read maintains that Jackson would have been a powerful IOC presence. "He might have cast a shadow over the star of Dick Pound," he says. But others see Lethereau's closeness to the IOC as a paid position reward for the years she put in as a volunteer in the trenches of amateur sport. "Carol Anne was technically very qualified," said Martin Lee, a former Olympic swimmer and medalist at the 1984 Olympics who now chairs Vancouver's national sports centre. "She's been an administrator and official at the highest levels of sport. She had a strong understanding of the system."

For all the speculation, no one is sure exactly how Lethereau was chosen—there are no hard-and-fast eligibility rules. Generally speaking, potential candidates lobby current members who then appeal to Samaranch. Confucius say the organization needs to adopt a more accountable member-selection process to reach its goal of reform. Lethereau says she does not know for certain if Pound supported her candidacy, but she does say that Worrall thought it was time to shake up the system on the IOC. Still, Lethereau agrees the selection system has to change. "This is part of what has to be looked at," said Lethereau. "The entire structure and governance of the IOC should be under review."

The continuing Olympic controversy is inflaming corporate hand-asking for Toronto's bid for the 2008 Olympics. To date, only one major Canadian company has needed a license the bid has been issued from the private sector, Toronto city council, which unanimously supported the bid, is now wavering until the IOC announces how it plans to change the flawed bidding process. The bid moved another public bid when Pound, who headed the IOC investigation into Salt Lake's corrupt 2002 bid, confirmed that he had resigned from the Toronto committee almost three months ago. "I'm not in shooting itself in the foot, but by me," said Segerson.

Optimists, however, hope that last week's reform initiatives and a successful Games in Australia next year will restore public confidence in the IOC—and support for a Toronto bid. That would be welcome relief for the embattled Lethereau, too, although she doubts the challenges since her leadership will go away. "Anyone who does anything has got enemies," she says. "I don't think it's going to stop." □



A Yugoslav tank moves a burned-out village. Serbs vow never to leave their province

WORLD KOSOVO

Back to the brink

As peace talks fail, NATO threatens air strikes

The fatherly and motherly of dense smoke rose over the village of Drenova in northern Kosovo. Mylton Xhemaj, his wife and seven children had just escaped the advancing Yugoslav soldiers who had torched their home. The latest Serbian offensive in the year-long civil war in the country's Kosovo province has driven relief forces deep into the mountains that he just beyond Drenova. Last week, thousands of refugees moved from village to village in front of the fighting, swelling the ranks of the 400,000 ethnic Albanians who are now homeless. And in Xhemaj's village, talks in Paris aimed at bringing peace to the Yugoslav Federation of Serbia and Montenegro collapsed over Serbia's refusal to allow NATO to send in troops to enforce any ceasefire deal. "Without NATO troops," Xhemaj told Al Jazeera, "there can be no security."

It could be a long time before Xhemaj gets back to his village. The Paris agreement, promising the so-called Contact Group of six Western countries would force Serbian President Slobodan Milosevic that if he does not add Serbian signatures to the agreement, his country could face air strikes as early as this week. But far from showing signs of criticism, Serbia has named 40,000 troops to Kosovo's border and moved to slaughter the ethnic Albanian population if NATO starts bombing.

The Contact Group brought representatives of the ethnic Albanians, who make up 90 per cent of Kosovo's 2.2 million people,

and the Serbs to the bargaining table in February. Last week, the Kosovo delegation turned up the pressure on the Serbs by dropping its demand for autonomy. Instead, it agreed to a limited form of self-rule for three years until a final agreement can be reached. Yugoslav Deputy Prime Minister Vuk Draskovic offered a blunt assessment of that

The Kosovo file

Failed following the Second World War, Communist Yugoslavia created an uneasy alliance of ethnic groups. But the 1993 death of Yugoslav leader Marshal Tito and the collapse of the Soviet Union at the beginning of this decade weakened the forces that held it together. Slovenia, Croatia and Bosnia have left the federation, leaving only Serbia and Montenegro. Since 1980, Serbia has considered Kosovo, formerly an autonomous neighbouring region, to be a province. Muslims of Albanian extraction make up 90 per cent of Kosovo's population, but the Orthodox Serbs consider the area to have great religious significance. It was there that the Turks defeated the Serbs in 1389, introducing Islam to the area. Since the early 1990s, the Kosovo Liberation Army has been fighting for control. Western leaders want to stabilize the region by forcing Serbia to give Kosovo its independence.

agreement. "It means nothing," he related his country's determination to maintain control of Kosovo—which many Serbs consider to be their ancient homeland. And at the front, their troops deployed modern T-72 tanks for the first time and moved into devastated towns previously occupied by the rebel Kosovo Liberation Army. Members of the minority Serbian population also vowed to stay put. Said Dragan Milosovic, who farms near Drenova: "We will fight to the last man."

Last week saw more evidence of how far the Serbs will go to keep Kosovo. An international medical team, headed by Dr Helena Jorita of Finland, was investigating the January deaths of 40 ethnic Albanians in a rural village. The Serbs had said the victims were members of the KLA. But Jorita said tests revealed the dead included several elderly men. "This," said Jorita, "is a crime against humanity."

With the talks called off, 22 Canadian diplomats and their families began leave and Belgrade, the Yugoslav capital. Another 65 Canadians who were part of a 1,400-member international force monitoring the situation in Kosovo left for Macedonia. "It was an emotional scene," Col. Marc Caron told Al Jazeera from Kosovo's capital of Pristina. "It's an uncertain future." Meanwhile, Western leaders turned their pressure on Milosevic. "Make no mistake, if we and our allies do not have the will to act, there will be more massacres," warned U.S. president Bill Clinton. "In dealing with aggression in the Balkans, hesitation is a license to kill, but action and resolve can stop atrocities and save lives." Milosevic could be gambling that Russia, Serbia's traditional ally, will continue to support him and prevent the bombing. But even Moscow is losing patience with Milosevic, refusing to supply Serbia with sophisticated air defence systems. The Russian Foreign Minister Igor Ivanov also warned that NATO is underestimating the impact of any bombing. "It's military conflict breaks out," said Ivanov. "It would spread over the Balkans."

Details of any military operation are still to be determined, but 600 troops standing by at Canadian Forces Base Edmonton could join a NATO force of more than 25,000 on the ground in Kosovo. There would be no deployment, however, until after a massive bombing campaign aimed at crippling the Serbs' ability to fight. But the bombing mission itself would be extremely dangerous. "There is a distinct possibility," said Gen. Michael Ryan, the U.S. air force chief of staff in Washington, "that we will lose our air." Milosevic may be betting that the risk—and the difficulty of targeting deep-penetrating Yugoslav forces—will keep NATO bombers grounded.

TOM FENNELLS with GUY D'AMORE in Ottawa

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Moscow's angel

A Canadian toils to bring food to Russia's poor

BY MALCOLM GRAY

When Canadian Sandra Reid awoke a drenched spew on the street one day, a block operator told her the raggedly dressed state had been lying in the rain and heat of a Moscow summer for at least three days. A quick check revealed that the man urgently needed medical help: a gaping wound in his right thigh was oozing with maggots. That unpleasant detail didn't bother Reid, 45, a straightforward former probation officer from Regina. As a Salvation Army captain in Moscow, she runs programs to help the poor and vulnerable survivors in a city that can be brutally indifferent to their fate. She knows that simply asking for help from unemployed and overworked policemen at a severely deteriorated medical station is useless. So she switched to Plan B. "I encouraged them that for the past two years, people at the Salvation Army headquarters nearby had given them free food hampers so that they could celebrate 'Veterans Day,'" she recalls. The grateful waiting Soviet men ambushed responded to the police summons.

In her five years in Moscow, Reid has learned how things tend to go down in Russia—through mutual back-scratching or a well-timed injection of help (ambush). As a key member of a charitable organization dedicated to providing shelter, food and clothing for the most needy, she must use every trick she knows to coordinate problems that only grow worse. Moscow, a city of 10 million people, has a mere 2,000 beds for nightly shelter of the homeless. And the country's mounting economic woes mean that more people are being hungry all the time. "At the two soup kitchens we run for the homeless, providing hundreds of pensioners here, began showing up in 1992. 'Those people have shifted, but they clearly are no longer exist on the social assistance of money they receive.'"

"Soup kitchens" is a slightly misleading term for the daily feedings that the corps provides near two railway stations in central Moscow. The terminals, with their promise of warmth and shelter, are magnets for the homeless—despite the efforts of police and other officials to move them out of public view. The Salvation Army, too, has to be careful not to offend local authorities. Influential bodies ranging from the Russian Orthodox Church to municipal welfare administrators are quick to defend their turf

against what they regard as foreign self-righteous organizations. As a result, the soup kitchens are little more than open-air meetings. They take place at a fixed time each day, drawing hundreds of the hungry and destitute to line up in the snow and wait for a Salvation Army worker to pass out soup (no empty juice can tops and saved off plastic water bottles they bring with them).

The prisoners in the lines stand out be-



Reid (center) working at her soup kitchen: 'growing numbers of pensioners showing up'

cause most show up with glass jars brought from home. "Of course I don't like doing this, but I receive only 400 rubles (300) a month from the government," says 69-year-old Anna Kellowa, a soft-spoken former dental worker, who could barely conceal her shame and distaste at having to rub shoulders with the unemployed in the line. "But what else can I do? Sometimes, my pension doesn't arrive for months at a time." Yet, told of Kellowa's plight, a Moscow municipal official hesitates. He agrees that pensioners could cut free of charge at cafeterias throughout the city. "We are glad that the Salvation Army, the Russian Orthodox Church and other organizations are feeding the poor," he says, "but if this woman is a Muscovite, she can get food from the city."

There's the catch. Moscow officials do not recognize people who lack pension docu-

mentation showing they are registered here, even if the city—that they are not eligible for the increasingly stretched municipal benefits. Out of desperation, many turn to the Salvation Army and other charitable organizations. Every day, the corps greets a crowd that grows well before the soup kitchies and bread leaves arrive in the small park near the Pavlovsky railway station. There, Reid and other workers of the corps' 60-member Moscow organization—almost evenly divided between expatriates and Russians—issue tickets that range from helping people obtain crucial documents to providing them with warm clothes and sturdy footwear. On special occasions, Reid tries to lay on a special meal. As Christmas, she was helped in Russia on Jan. 7, the holiday fare was beefed hodgepodge. They were a big hit.

There's a strong sense of Reid's involvement with a Christian organization as it tries to

save in Moscow. She doesn't always win, especially since she refuses to pay bribes. In one struggle that began almost a year ago, she spent three months exchanging letters and telephone calls with a Swedish owner in Stockholm who wanted to send her a humanitarian-aid shipment consisting of 2,000 sleeping bags and 750 kg of used clothing. The catch was that before the shipment reached the poor it had to get past Russian customs officials. They required such a raft of minutely detailed documents that the Swedish shipper finally gave up. The moral of that story, according to Reid, is that any outsider's good intentions must be watched by determination and patience in dealing with Russia's bureaucracy.

She has many such stories. "When I'm driving around, I'll see a house that would be a good place for a hostel," she says. "But it can be hard getting something out of the Moscow government. Sometimes, it seems that they are not interested until you—the charitable organization—are prepared to invest 880,000 of your money up front."

The Salvation Army's lost kitty, though, has benefited from a revival of charitable giving among Russians. "There's a long tradition of charity in Russia," Reid says, "but many people became resistant because those were compulsory during the Communist era." Now, she even gets phone calls from newly rich Russians who want to give money, but don't want their names on receipts for fear of drawing the attention of the tax police. She and other Army workers have been summoned to a restaurant on a subway station platform to receive an envelope filled with cash from an anonymous donor. "They're very specific about what they want us to buy," says Reid. "One man asked that the corpse use his money to buy boots for the poor."

Every donation is a step towards fulfilling Reid's drive to expand services. A recent grant pledge from a bank will allow her to distribute food to children in orphanages. She has been trying to get the city to give her a building for a proper soup kitchen, so she can feed more people. That would be an improvement on the current arrangement, which forces her to buy soup from the customer of a shoe factory and transport it to the railway station in a battered van. Recently, Reid managed to convince a local manufacturer of rocket engines to make her four new stainless-steel drums to replace the rusting soup containers she had been using.

As spring arrives, Reid is not sure how much longer she will stay in Russia. "The idea is to turn things over to the Russians," she says. She has also seen some of the outside of the international worker, so accustomed to working in different settings. "Living and working in Russia is different," she says. "I've worked with the homeless and people drifting in off the Trans-Canada Highway. People are still people everywhere." Wherever she ends up, Reid will be helping those in need. □

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'A desperate dictatorship'

The jailing of four dissidents annoys Cuba's defenders

The Cuban government of Fidel Castro is hard to like—and getting harder all the time. Even those still willing to give it the benefit of the doubt find its behaviour increasingly difficult to defend. So it was last week for Ottawa as a state security court in Havana sentenced Cuba's four most prominent dissidents to prison terms of up to five years for the crime of "offending sedition." Far from releasing its grip in the wake of Pope John Paul II's historic visit to the island early last year, Cuba's government made it clear that it will brook no overt opposition. The victims included the country's top and splintered dissident newspapers—as well as Ottawa's troubled policy of "constructive engagement" with Castro.

Only 11 months ago, Prime Minister Jean Chrétien journeyed to Havana to warn the Cuban president—and made a point of speaking personally for the release of the four, who were awaiting trial. "I think he is changing," Chrétien told *Newsweek* after his session with the venerable revolutionary, during which he volunteered that he'd been sent on a peace mission. "You would have the same thing," said the Prime Minister. "He has a different language." Indeed, The Cuban leader's political technique became all too clear as the dissidents were sent to prison and his government proclaimed a new law aimed at suppressing any other opposition. The Law for the Protection of the National Independence and the Economy provides for a fine or a 20-year prison term for anyone convicted of supporting the United States' hostile policies towards Cuba.

The conviction of the four, leaders of the Internal Dissidence Working Group, embarrassed the Chrétien government—but Ottawa was in good company. The Pope, the European Union, Amnesty International and the United Nations Human Rights Commission all spoke out for the release of the so-called Group of Four. Vladimir Ilov, son of one of the Cuban Communist party's most celebrated founders, received five years after a closed-door trial. Renee Gonzalez, a lawyer, got four years. Two others—Félix Benítez, a sometime professor of engineering,



Castro and Chrétien last April. Canada won't review its relations

and Maria Beatriz Rogan, an economist—received 3 to 5 years each.

All were arrested in July 1997, after publicly attacking the Communist party's monopoly on power in a document titled *The Homeland is for Everyone*. "Cuban authorities also accused three of advising foreign press to move in the country, talking to foreign journalists, and urging Cubans not to participate in all local elections. All four inmates then told dissidents, as did the Castro government in a statement, but insist, in fact, the government denies that Cuba has any genuine "dissidents"—despite criticism by human rights groups that Cuba holds some 400 political prisoners. What outsiders did demand, the Communist daily *Granma* proclaimed in a virulent distasteful last week, are really "U.S. paid agents" who "reject slogans and lies supplied to them from abroad, and receive charges for their malicious task of deluding the nation."

Ottawa has stood by the Castro government, arguing that trying to improve a flawed regime is far better than living up with the terrifying hostility of Washington—as illustrated by the 38-year economic embargo

that Castro finances as "terrorism." But sympathy for the Cuban government has waned rapidly in the past year, even in circles where Castro chic was once a badge of political sophistication. *Le Monde*, the premier French daily, wrote in early March that the trial of the four dissidents smacked "the end of illusions" about Cuba, adding, "The regime of Fidel Castro is revealed for what it is: a desperate dictatorship."

Chrétien condemned the treatment of the Group of Four, saying that "Cuba sends an unfortunate signal to her friends in the international community when people are jailed for peaceful protest." Canada, he added, will "review" its relations with Cuba. The most likely steps: meeting up on Ottawa's support for redefining Cuba to the Organization of American States, and recommending whether to invite Cuba to the next Summit of the Americas, due to be hosted by Canada in 2000 or 2001. At the same time, though, the Prime Minister reiterated his policy of engagement, arguing that Canada's

actions will sting Havana harder because they come from a friend. And the row did not put a crimp in a core Canada tour last week by Cuba's foreign investment minister, Bertha Ferreras (page 67).

Ironically, the chill between Ottawa and Havana comes at a time when Cuba's most trusted relationship, with Washington, is showing signs of modest improvement. In early January, the Clinton administration announced a series of steps aimed at letting more U.S. money to Cuba and allowing more U.S. money to reach the island. They include more charter flights between the United States and Cuba, direct mail service and letting Americans send up to \$1,800 a year to Cuban families. "The most dramatic move came at the end of this week, when the *Wall Street Journal* wrote that the United States is now in a position to take on the Cuban national baseball team. That would mark the first time an American team has played in Cuba since the early days of Castro's revolution in 1959. It may not be much, but even an exhibition game in a richly sold ball park will be heavy with symbolism.

ANDREW PHILLIPS in Washington

BOMB KILLS DOZENS

A powerful bomb exploded in a crowded outdoor market in the southern Russian city of Vladivostok, killing 33 people and wounding 100. Vladivostok, the capital of the Far East region, is about 50 km from the breakaway region of Chechnya. That area has been hit by a wave of violence and lawlessness in recent years associated with crime as well as political and ethnic unrest.

DEADLY CASTE VIOLENCE

Gunsman (not a radical) communist group gathered at about 30 villages in India's Bihar state, bound them and beheaded them in a caste massacre. Police suspect the attack against an upper-caste village was aimed at the predominantly lower-caste group locked in bitter land battles with the upper caste.

BALLOON CIRCLES GLOBE

After 19 days in the air, Bernward Pross of Switzerland and Briton Brian Jones became the first to pilot a hot-air balloon around the world. Their drifting Orb 2 completed the 42,647 km, nonstop circumnavigation on Saturday morning, and they were expected to land in Egypt on Sunday. Pross, a psychiatrist, used self-hypnosis at times to handle the pressures of the exhausting voyage, and taught the technique to Jones.

BOESAK GUILTY OF THEFT

A judge in Chicago Town Court after Boesak's leading anti-apartheid activist, guilty of stealing and moving from foreign devices, including \$113,000 of \$300,000 U.S. sugar. Paul Simon had given to aid a children's charity. Convicted of fraud and theft involving \$455,000, Boesak was to be sentenced this week. Prosecutors filed charges with the *South African* to fund a "sanctuary lifestyle."

TRAFFICKING IN ORGANS

Egyptian prosecutors are investigating reports that an orphanage near Cairo sold the organs of some of its children to hospitals that cater to wealthy Gulf Arabs. The allegations, who say government officials may have been involved, allege that organs from at least 32 children were sold for up to \$30,000 each to major hospitals. Twenty-five of the children subsequently died, they said, and some of the death certificates may have been forged.



Mandela's husband (left) and wife at funeral. President can help

A troubled truce

The deadline is barely symbolic, but pressure is mounting on Northern Ireland's Protestant and Catholic communities to accept it. The United States, Britain and Ireland are pushing political leaders in the faction-ridden province to make the compromises necessary to bring a 12-month, power-sharing government before the April 2 anniversary of the so-called Good Friday peace accord. But tensions are running high since the March 15 murder of Catholic human rights lawyer

Ernestine, and Gerry Adams, head of Sinn Féin, the Irish Republican Army's political wing. Trouble is returning to Britain as disagreements with Adams' ally the IRA has been deepened. Adams, on the other hand, says the IRA will not disarm as long as his party is barred from office. Clinton urged the leaders to keep their eyes on "that distant horizon where children will grow up in an Ireland trouble-free and not even remember how it used to be." After last week's events, that day may be a long way off.

Clinton versus Starr

The long-running battle between U.S. President Bill Clinton and independent special prosecutor Kenneth Starr shows no signs of ending soon. Last week, a federal appeal court authorized the U.S. justice department to

investigate charges that Starr's prosecutors acted improperly while questioning former White House intern Monica Lewinsky in mid-January, 1998. *McIntyre*, Starr's attorney, William Ewing, reacted that he considered indicting Hillary Rodham Clinton in 1996 due to statements she made in an investigation of the

Clinton's marriage. Whitewater trial still pending. Ewing was testifying at the U.S. District Court, Ark., trial of Clinton's attorney, who Clinton's attorney had not yet agreed to answer questions about Whitewater. At the same time, Starr's office disclosed that his Whitewater probe will continue.

Eurocrats resign in shame

The leaders of the 15 member states of the European Union assembled in Berlin this week to confront one of the most serious crises of the EU's 40-year history. On March 16, all 29 commissioners resigned following an auditor's report that found evidence of corruption and financial irregularities. The commissioners, appointed from member countries for

five-year terms and paid more than \$300,000 annually, manage the EU's \$160-billion budget and a bureaucracy of 17,000 people. Auditors appointed by the 60-member European Parliament declared that it was "becoming difficult to find a Commissioner who has even the slightest sense of responsibility." The auditors discovered over \$1 billion in questionable

spending, which included awarding jobs and lucrative consulting contracts to unqualified friends and family members. EU leaders were divided over whether to appoint new commissioners immediately or wait until after June elections to the European Parliament. But many agreed they must replace outgoing president Jacques Santer, 61, of Luxembourg, with a stronger, more credible leader.



Magna's magnate
has grand and
unnerving designs to
change the world

Frank Stronach Empire Builder

BY KIMBERLEY NOBLE

Picture this: It is Dec. 26, opening day at Southern California's Santa Anita Race Track. The weather is ideal—70°, so they say in the States, not clear enough to see the purple-brown slopes of the San Gabriel Mountains. Santa Anita, a few minutes east of Pasadena, is famous for more than its scenery; this is one of the oldest—and, certainly the classiest—horse-racing tracks in North America, a favorite of Hollywood showmen in search of a picturesque setting. It manages to feel both genteel and modern, a fitting place for the sport of kings and the gambler down to his last buck. It is a place where Frank Stronach feels right at home.

On opening day, Stronach—Canada's most flamboyant industrialist, the back-and-forth maker who created the 30-billion auto-parts colossus Magna International Inc.—winks around life. He owns the place. Which he does, having taken possession a few days before Christmas. On Stronach's instructions, Magna's sharpest dealmakers stepped Santa Anita out from under the noses of some of the richest men in America. This makes the Canadian multimillionaire one of Santa Anita's star attractions on Racing Day. Stronach, a gifted athlete and born performer, does not disappoint the fans. He inspects his new possession like a royal at home. He impressively walked out, limping out the pincers. (One of his eyes was hit making the rounds to shake hands and chat with thoroughbred owners and trainers. Behind him trails an entourage of trusted lieutenants and well-groomed women.)

The new owner drops by the press box to announce his plans for the beloved landmark. Everything old and shabby will have to go, he declares. Stronach intends to scrap the historic infield and, of course, rezone the dining pavilion housing, relocate the paddock, raze the garages, and gut the clubhouse. He envisions a racing five-star park, complete with a second turf track, luxury hotel, restaurants and shops, a horse-racing museum and an eco-style theater. The north parking lot will be turned into a gated residential community. Magna has earmarked \$75 million up front for immediate improvements, Stronach says, but could spend three times that amount by the time it is done transforming sleepy

Santa Anita into a tourist attraction to rival nearby Disneyland.

Somebody pipes up to ask whether Stronach intends to leave anything alone. Of course, he says, and laughs: "The mountains will stay."

A few words of advice to Southern Californians: don't bet on it. If there was ever any body out to rearrange land scraps, it is Frank Stronach.

Through 40 years of business, Stronach, now 68, transformed a single tool-and-die making shop in midtown Toronto into an international auto-parts empire. While still in his 20s, he struck pay dirt by figuring out that big North American automobile companies could be persuaded to buy components from reliable independent suppliers, as long as those suppliers demonstrated they could make the parts better and more cheaply than the car manufacturers themselves. Today, Magna pulls in almost \$20 billion a year and employs more than 20,000 people in 18 countries. Stronach's visionary approach, combined with his engineers' technological wizardry, have made Aurora, Ont.-based Magna one of the best companies—of any kind—in the world. In January, Magna was singled out as one of 27 corporations on *Forbes* magazine's list of top global businesses. (The daily *Globe and Mail* in Canada compares it to the aptly named *Enschede* Inc. of Montreal.) "When it comes to creating auto-parts plants that are efficient and have the latest technology, there is nobody who can touch him," says an industrial Toronto investment manager. "He's invincible."

He is also incredibly restless. Stronach has never been able to live by auto parts alone. As fast as he makes money, the once-penniless Austrian immigrant (who is now worth more than \$250 million) has found ways to spend it. He has poured his personal fortune into breeding race horses while diverting tens of millions from Magna into a long list of unrelated projects ranging from a (failed) four-wheel-drive sports car (remember the Terra?) to an abandoned scheme to revitalize the Cape Breton economy.

But this time is different. These days, Stronach is out to build a second global empire based on what, next to cars, are his two

great passions: finance, racing and European soccer. He wants to save the horse-racing business by turning it into family entertainment. Santa Anita is only the beginning. Stronach plans to buy two or three more racetracks in North America—believe that! He has him eyeing Golden Gate Park (near Fort Lauderdale, Fla.) and Sea Pines in the Bahamas. He also wants to buy racing tracks in the U.S. He intends to build the state-of-the-art amusement complex in Austria, says Stronach, with a proposed World of Wonders project outside Vienna that carries a price tag of \$800 million.

On the football front, Stronach wants to restructure Austria's cash-strapped soccer league and make that country a World Cup co-host. To date, he has television marketing agreements with six of the Austrian leagues and plans to buy the rights to the remaining four. He intends to launch a sports-betting television channel that would expand into a network broadcasting to the United States and Europe. Stronach, who played semi-professional soccer in his youth and is now chairman of the national league, hopes to use profits generated by the betting network to set up a chain of sports academies in Austria and, if that works out, possibly Canada. "I want to get involved in a system that will stimulate and motivate young people to involved in sports," he told *Forbes*. "Sports is very important. The social benefits are unmeasurable. It's a compelling thing for the economy. In fact," Stronach says, "very, very good."

He is prepared to put his money where his mouth is. Stronach recently pledged \$100,000 to help a delegation of Canadian athletes establish a lobby group to clean up the Olympic Games. Stronach agreed to underwrite expenses incurred by Olympic winners Mark Spitz, Steffen Nilsen and other athletes during their stay in Innsbruck, Austria, and to provide money for the 1992 Olympic athletes that were to stay at a wedding over the world-renowned International Olympic Committee. However, Richard Pound, the Canadian vice-president of the IOC, dismissed Magna's Olympic gesture as "a belly flop."

Canadians have always scoffed at Stronach's ideas. His latest schemes, however, are attracting international controversy. Austrians welcome his energy and money, but wonder who he thinks he is to stroll back after 40 years and act as if he owns the



Bernd Stronach: the heir apparent often stands in for his father

place. In Canada, investment managers refer to Stronach's sudden U-turn away from his core automotive business as "the Frank Factor"—a phenomenon that scares the pants off shareholders. Three times in 15 months, Stronach's funds away from auto parts have shocked investors enough that they shed between \$1 billion and \$1.7 billion of the value of Magna's stock.

The fact is, these nervous investors are the source of more than 90 per cent of the company's equity. And, contrary to what they say publicly, the "factor" drives Magna managers around the bend. But Stronach is the boss: he is chairman of the board and controls 64 per cent of the company through a class of special B shares that carry 500 votes each. When push comes to shove, other executives are left with little choice but to do what Stronach says, or quit. "Frank is the most powerful person in Magna, there's no question about that," says vice-chairman James Nicol, a vocal supporter of Stronach's style and accomplishments who has left the company and

Is Stronach a genius or a total flake? After 20 years, people still don't know what makes this guy tick

retained—twice—in the past 10 years. Nicol and other executives say that whatever Stronach's reputation, current management is able to bring out a consensus on most issues.

Over the past several months, Magna executives have been struggling to come up with a plan that would appease the company's shareholders while giving Stronach room to explore his new ideas. On March 8, the company unveiled its solution: an equity-redempt, self-financing entity called Vemove, which will control non-automotive projects that are valued at \$140 million. The concept will be presented to shareholders at Magna's annual meeting in May. If it gets the go-ahead, stock in the new company will be distributed to most shareholders, and additional shares offered for sale when and if outside investors can be persuaded to pump new money into what is essentially a collection of Stronach's personal passions.

However, the signs are not encouraging. Members of the Toronto investment community who shared breakfast with Magna officials after the Vemove announcement were, according to one participant, "amused and somewhat underwhelmed." They were particularly put off by a Magna plan to shift \$300 million in cash into Vemove by buying back stock that was allocated to the new subsidiary. Investors look at it as an ill omen. "Magna's shares fell 85 to 86 to 84-85 in a two-day period, coming within a hair's breadth of last year's low of 83, despite a one-quarter report that company profit increased 25 per cent in the five months ended Dec. 31."

What it all boils down to is that wherever Stronach goes, trouble

follows. But so do fabulous investments and astounding amounts of newly created wealth. Nobody seems to know for sure what makes this guy tick. Twenty years after he and Magna came to the attention of the Canadian business scene, people are still asking the same questions: Is Stronach a genius or a total flake? Why does a man risk losing so much—money, reputation and some of the best managers in his industry—by putting his company through such dangerous leaps?

Magna's money manager Rich Berdini who sold three-quarters of his Magna stock when he heard about Santa Anita, says it's a symptom of Stronach's age: "I happen to be 64," he says. "I understand how easy it is to lose sight of most of your primary objectives and go for the toys." But the pattern for aging executives is late-career cynicism usually involves shirking responsibility for the pursuit of pleasure. Stronach—who has already spent much of the cash he made in the company of lost battles and lost ventures—hardly fits this mold. In fact, he seems to be working harder, investing more, and keeping it all on the line. "Frank sees this as an exciting word," explains Berdini.

Bernd Stronach, a Magna executive—Does this, his heir apparent, know what his father really wants? "He wants to build another Magna."



Stronach at Vienna's Opera Ball: drawing admirers and skeptics

to the story of Stronach's success in Canada is the classic immigrant's dream. Only 22, he sailed to Canada from Austria in 1954 with \$40 in his pocket. Stronach went home to his town regularly: the first time to show off his good fortune; later in the 1980s to choose a pretty young wife

A VISION OF PARKS AND SOCCER

"H"eiger Stronach proclaims a headliner on an Austrian magazine article about Frank Stronach. In English, the equivalent is "Holy Moses" and it's a play on Stronach's original name, Stronach, which translates as "bag of straw."

In the past year, the auto-parts magnate has been the target of endless attention from the media in his homeland. A few of his many monikers include "Cauterine's Mother Teresa," "The Forrest Gump of Business" and "Rich Uncle from America." It seems that if Canadians do not always know what to make of Stronach and his grand schemes, Austrians are no better enlightened. They welcome Stronach's money and boundless sense of free enterprise, but have grown skeptical of the size and scope of his ambitions—as well as the way in which he gets things done.

Stronach moved back to Austria in the early 1950s. He also owns homes in Aurora, Ont., Switzerland and Colorado, but spends most of his time at his austere 16th-century manor house near the Vienna Woods. Only in

1956, however, did he become a high-profile player on the Austrian business scene when Magna International Inc. bought Steyr-Daimler-Puch AG, the country's largest auto-parts company. He has also proposed a long list of real estate projects that range from redeveloping Vienna's landmark Prater amusement park to planning a massive recreation complex on a mountain lake in southern Austria. In February, three days after announcing a \$15,000,000 bid for the airport annual Vienna Opera Ball, Stronach was elected chairman of Austria's sub-regional soccer league. He has promised to pump more than \$100 million into the sport and is buying up the season's television marketing rights with the aim of launching a European sports-betting channel.

News, an Austrian magazine, ranks Stronach 13th among 500 "top Austrians" (up from 45th last year) and aimed 80 per cent of the population knows who Stronach is, according to a recent survey. Yet 90 per cent of survey respondents said they would act without interest in betting on his betting chain.

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firm's automobils, and, and that it hopes to make Austrian technology and expertise the cornerstone for a big push into vehicle assembly.

Through its reorganization, Steyr, Magna has also become one of many global companies charged with using slave labour during the Nazi Holocaust. Stronach says Magna will co-operate with any investigation, but cannot be held responsible for what happened in a dictatorship more than 50 years ago. Other Austrians agree: a lawsuit in which shareholders of Austria's Creditanstalt AG bank are suing both Magna and the AG, alleging that Steyr was sold for less than it is worth. The media have also raised questions about the close relationship between Stronach and the former Austrian prime minister and Creditanstalt director Franz Wertheim—who has been a Magna director since 1997.

Magna's various real estate developments are also meeting with so much local and environmental resistance that, at the moment, only a World of Wonders theme park outside Vienna has much chance of going ahead—

and even that will be despite a report that questions the impact on the region's drinking water and traffic.

One Austrian magazine even asked a respected philosopher to write an essay—entitled "Austrian Saviour"—to explore the relationship between Stronach's personalities and the national psyche. Konrad Paul Lenzmann wrote that "his speeches show a freedom of mixed calculation and utopian sentiment, which makes out the most stupid and in-

comprehensible schemes (back at the World of Wonders theme park with its 80-metre globe) appear as a work-concept project worthy of discussion. On top of that comes the immediate media fire of the sector, which will retract all that is dotted, scattered, the race-track and the Opera Ball, should it ever require saving." Lenzmann concludes that Stronach is welcome to do whatever he wants with accounts of his fortune, but Austrians should be wary of his other remarks.

There are signs that Stronach's patience is beginning to wear thin in the face of such criticism. He has recently begun grumbling that unless the Austrians start to show more appreciation for Magna's hard-earned investment dollars, he will yank the theme-park project and move it someplace where people understand the value of entrepreneurial spirit—somewhere in eastern Europe.

KIMBLEY HOBBS with
SUE WATSONMAN in Vienna

(Edna's daughter) to whom he's been married for 35 years), and in recent times a brother determined to do it "better off he failed to say so in Canada—a subtle country's social and—concrete end-orphans."

He was born near Stronach's in the town of Wica, not far from the border with Hungary and Yugoslavia. He was the first of three children (and the only son). The Stronachs were Jewish. In Depression, Nazi dictatorship and subsequent Russian and British occupations, Young Frank learned about politics from his father, a factory worker and avowed Communist, and about enterprise from his mother, the hard-headed business manager of the family. Stronach's mother was described by her son as being from a noble. When he turned 14, he moved his family down to the town's biggest factory where he was signed up as a tool-and-die apprentice. He recalls that his introduction to his life's work was being given a block of solid steel, a metal file and a sawn-in which to make a piece of electrical machinery.

Eight years later, fleeing refugees in postwar Europe, Stronach took down the chimney in Switzerland and left for Canada. He changed his name to Stronach and set out to make his fortune. He picked up odds on a Montreal golf course, washed dishes in a kitchenette, and, hospital and then landed a tool-and-die job in its machine factory. He saved enough money to open his own company—called Accurate Tool and Die—in a garage on Toronto's Dupont Street. He spent years sleeping on a cot beside the lathe, ensuring the young people he watched stick down the secret in the evenings, but never for longer and better things.

The first was a new car. "We soon also started making some interesting money. He bought a brand new Pontiac convertible and put it on a block so he could drive it into the town where he grew up," says Toronto writer Martin O'Malley, who spent five months in 1992 and 1993 working Stronach's autobiography. O'Malley produced 90,000 words for Stronach either not needed or reduced that some of the author had said in his better-published posthumous book. Stronach parked on a hill, O'Malley said, "and set in the car just staring down at the town. Then he picked up all his friends and drove them around. This was his first taste of the return of the victorious conqueror. It was his first great vision of himself."

Stronach always thought big, but he didn't build his business empire in a day—nor did it do so alone. Magna gained momentum gradually through the 1960s and '70s. Stronach contributed bold work and energy, but it was his partner, Walter, who published posthumously another tool-and-die master from Wica, kept only \$12 of his weekly salary so that he could put the rest into the Dupont Street factory. Black-Poll landed the Dodge company's first big deal, a \$300,000 contract to supply new motor linkers to General Motors of Canada Ltd. Legendary corporate generalist Jack Werzberger, the founder of Magna Electronics Corp. Ltd., gave Stronach's group his TSE listing and his name. Polak was named Magna's first president, while Walter was the chairman, at that point a vice president, who had the brains required to survive the shifting and attempted coups that characterized Magna's early years. By the early 1980s, Stronach emerged as firm control of Magna International Ltd.

He contributed more than staying power. Stronach's vision of a far shaker for hourly workers led to the 1984 "Magna Carta," the legally binding document that set out the rights of executives and employees to a proportionate share of the corporate spoils—and, at much as any



The man who sailed to Canada with \$40 became a multimillionaire

thing else, enabled Magna to undercut the Big Three nationalized motor parts divisions by keeping the subcontractors under threat at bay. Magna paid hourly workers less than unionized labour in big auto plants, but distributed 30 per cent of its pre-tax earnings to employees. 5 per cent in cash and 7 per cent through a deferred profit sharing plan. This has made people on the shop floor grateful and wealthy. "One of the most interesting things about Frank," says Brian Chasen, West-angled auto industry analyst for Leverage Research Geoffrey Inc., "is that he genuinely doesn't mind if his employees get rich." Stronach talks about this as if it's the most natural thing in the world. When he talks about his own business, he talks about it in terms of the 100 per cent on which his success and profitability depend. "Our strength," Stronach says, as a such accent that is often compared to Arnold Schwarzenegger's, "is the human capital. Our strength is that we motivate employees that they not only work hard, but they also count that their own efforts have led to it."

Yet every 10 years, so consistently that people have come to count on it, the long-haired grey-haired with the aura business and make the jump to hyperbole. "Frank gets a bee in his bonnet," says a former Magna executive who was at one time responsible for the company's non-automotive investments, "and all he goes for in the 1970s, Stronach expanded his racing stable, invested in a downtown Toronto disco and played the other market alongside the Dallas-based Hunt brothers. 20 years later, he was ready for further adventures. In 1990, Magna bid to buy aircraft manufacturer Canadair Ltd. from the federal government and followed by the Cape Breton shipyard, an auto parts tool-and-die. Frank genuinely believed he could not outpace Cape Breton," the former Magna manager says. When these plans fell flat, Stronach opened \$5 million for motorized, launched a global business machine, poured \$8 million into the sports car project and ran as a Liberal in the 1988 federal election. He lost—and spent the next four years assembling to hold on to his company.

This was the last word of Stronach's career. The project of the late 1980s, when a decade that coincided with the biggest disaster in Magna's history—a period of uncontrolled overexpansion and fiscal mismanagement that led the company almost bankrupt and, for while, at the mercy of creditors who wanted to dump Stronach and sell off the plants. The former chief financial officer once compared the company's restructuring to "trying to put a parachute back in the bag during a washout." The fact that Magna still—and went on to greater glory—has said its 1991 turnaround the benchmark against which all

Stronach of the
Brenden's Cup
Classic in
Lansville, Ky.,
with jockey
Pat Day and
American jockey
workers at the
St. Thomas, Ont.,
plant (below):
winding
automobile

other Canadian corporate salvages are now measured. Stronach says the financial problems had nothing to do with his non-automotive activities. "People put hold of the wrong story," he says. "You always find critics that we live in a free society and that's what you have." Maybe that's why he wants to go through that again. Magna has 10 times the equity and less than half the debt it carried in the late 1980s. Yet even since word got out a year ago that Magna was investing in real estate, buying churches and theme parks, Magna's stock price has gone up and down like the roller coaster Stronach wants to build beside all these racetracks he hopes to buy. "These things bother me," says Montreal investor Brodard. "First, in the 1980s, Auto metrick. The land around it is supposed to be valuable, but for what I don't know. Second, in those theme parks in Vienna being built by the glory of this gentleman. And the third thing,"

he says, in the ominous tone everyone except Stronach seems to adopt when speaking of the possibility that Magna could operate in any other, "is those flying business."

Of all the things that send Magna investors running for cover, nothing comes close to Magna Air. It is like one of those curly characters that just squashed that and then springs back to life. It just won't die. A year ago, while Magna's Toronto managers were scheming against they were in the process of starting an airline, Stronach was in Austria announcing that the company had filed up two Airbus A320s. All but 30 of the seats would be removed, and the planes outfitted with beds and electronic conveniences for long business travellers. "We will start small," he told an Austrian newspaper. "Magna Air will fit a market niche."

After internal debate, Magna managers purchased systems to lease the planes—then, after more discussion, let those options lapse. Executives were quick to dismiss Magna Air as one of a number of proposals that did not make the cut. "We look at a lot of things, and some things do not proceed because they don't make economic sense," says Magna president Donald Walker, a former General Motors manager who was recruited to Canada Stronach for eight years. (The couple divorced last summer.) "It's not that anybody talked Frank out of doing it," Walker says of the airline. "It just said that it did not meet a past conceptual stage."

Only somebody forgot to tell Frank. At Magna's annual meeting last December, senior executives publicly avoided all talk of the airline. Stronach, a senior shareholder, was present and been elected "for the first time," but found it impossible to sleep at that. "We maintain and manage plans for other companies, and we make money. It could grow by 100%, it's quite likely. It's like not to have all the eggs in one basket, no matter how good the basket."

Stronach's executives tolerate such episodes in part because they are so well paid. But they also want to be part of this unique environment. "Frank is a true entrepreneur," says Walker. "His strength is



THE SHAPE OF CAR PLANTS TO COME

Workers up by on golf carts and bicycles. Robotic arms that look like George Lucas's Imperial Walkers swing up and down. Overhead steel chasses jingle chains destined for General Motors, Honda and Sevelande pickup trucks move along a 9.6-kilometre-long conveyor belt. The belt has a three-hour inventory capacity in case anything ever goes wrong on the assembly line below.

So far, nothing has. Magna International Inc.'s new Forêt, Indiana's chosen plant in St. Thomas, Ont., which began operating last June, is hailed as one of the best automobile frame plants in the world. It is also tangible proof that Magna chairman Frank Stronach is not far from making the best car

parts at the best price—and prepared to invest to accomplish his goals.

Magna is still seen as an upstart in the auto-parts business, but it is gaining ground fast. The company already makes everything on or in a car except for the tires, the engine and the glass. A division in Troy, Mich., is close to signing a contract to supply pressurized front-end radiator systems to U.S.

auto components. Over the past five years, Magna's Canadian engineers have employed it in the making of the frame itself. Rather than stamping pieces from sheets of steel, the new technology jumps under high pressure, through steel cylinders. The water expands the cylinders outward into moulds—like blowing up a balloon. Chassis components come out stronger, lighter and cheaper for both supplier and customer.

"Hydromining is about to explode," says Winnipeg-based auto industry analyst Brian Chasen. "Magna is doing a billion dollars worth of business now, and they could be doing double, triple, quadruple that in the next few years."

Forêt—where employs

roughly 950 people and 550 robots to produce one truck frame every 11 seconds—is expected to have made 1.2 million frames by the end of its first year of operation. By that time, the plant will have expanded its capacity by 50 per cent. Two additional presses are being installed, and the plant will have another 1,000 jobs by 1995. "We're looking at the possibility of being the one to be unveiled in the 2000 and 2002 model years."

By then, Forêt expects its state-of-the-art moulding option to be even better. "We are not, maybe 1½ years ahead of the competition," says Winnipeg-based operations head Peter. "And we are going to stay ahead. This is how we work at Magna. Like Mr. Stronach says, we can't start sleeping now."

KIMBLEY MOORE in St. Thomas

Stronach about
his job talk of
"Magna Air"
speaks investors



his vision." Former Ontario premier David Peterson, who has known Stronach for 15 years, goes further. "Frank is a genius," says Peterson, who is now a governor of Stronach's Magna for Canada Scholarship Fund, which provides bursaries and internships to students. "You can argue the point that all geniuses are eccentric. Sometimes these guys just don't fit with the establishment."

It is not just senior officials and friends who defend him. One Magna engineer knew he wanted to work for the company after hearing Stronach speak on CBC Radio. "Frank may be a quirky guy and nuts, but his sense has led to what happens on the shop floor," the engineer says. "Working for somebody like that is what makes the world exciting. I cannot imagine going back to a conventional corporation." Vice chairman Noll compares Stronach to Thomas Edison. Edison would apply for 10 patents, and one of his ideas would be complete. The 10th would be the lightbulb. "This is what Frank is like," Noll says. "He has an intuitive mind and tremendous practical energy. It scares people at times. But we never know when he's going to invent another lightbulb."

Could it be possible he already has? Magna investors may doubt it, but the Santa Anita purchase now looks like a clever deal. Stronach wanted to buy the park two years ago, when the family that built it in the 1930s first put it on the block. Everybody at Magna, Stronach included, balked at the asking price of \$400 million (U.S.). When the buyer, a U.S. conglomerate, got into financial trouble and began liquidating assets, Stronach persuaded his board of directors to take another look. Magna's deal team crept fast and bought Santa Anita for only \$126 million (U.S.). Business sources claim that Magna has already been offered at least two discounts for a fully paid, black, white and Hispanic-owned deal, ended up as a failed negotiation. "I was not enthusiastic at first. Now, I wish I could have bought it myself!"

And, unexpected as it may seem, Stronach's ultimate success story is his family. While still in his 20s, he decided he wanted to marry and have two children, so he opted for an arranged marriage—unconventional only in that the bride-to-be is Jewish. On a visit to Wien, he proposed to Elinor Edelstein in the hope that the world would grow up to be as pleasant and attractive as her mother, whom Stronach adored. "He chose a wife for her bone structure and breeding possibilities, like choosing a thoroughbred," O'Malley says. "He will criticize and defend it. He will argue that it makes more sense than relying on the uncertainty of falling in love."

The Stronachs have experienced none of the Dynasty-style theatrics that plague so many wealthy families. In their 35, it is all together. Frank and Elinor have raised two down-to-earth and hardworking children, Belinda, 32, and Andrew, 30, and the family remains close. Following her divorce, Belinda built a house beside her parents' mansion on the family compound that overlooks Magna's Aurora headquarters, says a following suit. Belinda—who has two children—says her friends make fun of her for "ending up back on the farm." She explains that both she and her brother have always been free to go to their own ways—but prefer to work for their father because other organizations suffer from his bad-boy and dad.

Andy is a partner in the family's Adams Springs thoroughbred operations. Stronach gave him credit for choosing the champion bloodlines that spawned 1998 Breeders' Cup Classic winner American Pharoah. Belinda, a Magna executive vice-president and director, has her own women's clothing company. At Magna, she is part of the

executive team that charts the company's strategic direction, and is viewed as the one being groomed to succeed day after day as head of the family enterprise.

Not that anyone should assume Stronach's grand plans include retiring—let alone dying. Quite the opposite. Stronach—an avid skier, tennis player and health food aficionado for whom junk food is poison—has made it abundantly clear that he intends to outlast us all. O'Malley says Stronach never drinks anything stronger than a glass of red wine with lunch. Not even beer. "He seemed to be saying, 'How

**Entertainment is the future, he says.
'This is where the jobs will be.'**

can a man like me die?" O'Malley says of conversations on the subject of health. "He sees no reason why he shouldn't live 200 years." Failing that, Stronach will merely revert to the fallback plan—to leave an indelible mark on the world.

That that will happen, the people who have watched Stronach build his corporate empire over the past 30 years, have no doubt. The question at this point is what form his ambitions will take, and how much they will end up costing Magna. As one might expect, Stronach has all the answers. "Lakers very carefully," he demurs. "I am very precise as what I say." What he is doing has nothing to do with audacity or fear of death, he is merely fulfilling his obligation to society. "We as investors have to look down the road and we have got to see how the world is unfolding," he says. "One thing that is clear in my mind—the western world will lose a lot of industrial jobs. Where will people be employed in the future? That is the big question."

The future, Stronach is convinced, lies in entertainment. "I feel very strongly that special tourism, theme parks, sporting will increase and that is where the jobs will be. With Disney Co. may have lost a battle on Euro Disney last, he says. "If old Walt Disney had still been around, he would not have made those mistakes." Stronach will be there for Magna.

"I am not so presumptuous to speak for all individual people," says Stronach with what sounds, for a moment, like modesty. The moment passes. "That I think I am so presumptuous to speak for 99.999 per cent of all individual people," he says, launching into his theory on the hopes and dreams of humankind. He says he must use caution and good economic sense, but is certain that his own ventures will be a success. The alternative is to be satisfied with what one has already accomplished. "If everybody just says, 'OK, I make good profits and everything, but I'm not going to invent in the future,' you've got a problem." Sticking still to something Stronach cannot imagine—and the one thing his shareholders need never lose □

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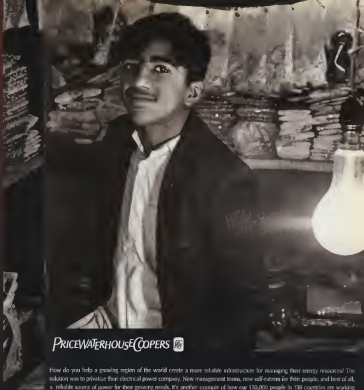
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AN AIR OF STRIFE

Angry unions threaten an escalating wave of unrest

BY DANYLO HAWALESKA

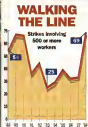
Absent no-one wants to be a name synonym. The hours are horrible, the wages modest, the demands unreasonable. Still, Nancy Styles of Weyburn, Sask., was so determined to follow her mother into the profession that in 1968, as a 34-year-old parent of three small children, she went back to school. After graduating in 1980, Styles found part-time work, only to endure not one, but two layoffs—in 1991 and again in 1994—before finding steady work at Weyburn General Hospital. Today, the problem is that there is too much work to do. Across the country, thousands of RNAs like Styles, now 45, are exhausted, and like so many employees at both the public and private sectors, are either prepared to strike for better working conditions and wages, or are already walking a picket line. "I sometimes work half the night, then have to work all day," Styles says. "But you do it anyway because—you know why?—there's nobody to replace you."

If only that were true for Maureen Isaac, one of 2,400 Bell Canada telephone operators affected by Bell's decision to consolidate operator services. As a result of a deal with an Arizona-based U.S. firm, Bell has decided to trim the number of its call centres. Isaac, 30, says she may yet try for one of the about 1,000 operator jobs Bell has said it will keep. But she would then have to commute from her townhome in Brampton, Ont., 100 miles either Kitchener or Toronto, both an hour away, and from those jobs will eventually disappear, too. After 20 years of service, Isaac earns \$37,000 a year, but to work for the new company, her union says, would mean about a 40-per-cent drop in pay. Isaac, who is single, is also considering taking a minimum-wage job while she goes back to school. Her anger is typical of many workers in Canada. "People are expected to work for less money and less benefits," says Isaac. "And all I see is people at the top getting richer and richer."

From coast to coast, from nurses to telephone operators, civil servants to auto workers, many employees to fight attendance, the story is the same: either fall in the wind-lashed, experts who follow labour trends warn that the next few months will be marked by increasing



CBC workers in Montreal march through downtown and resolve



unrest. The reason is the sheer number of contracts due to be renegotiated—and anger about the combination of corporate downsizing while profits in many industries are rising.

The grim trend was already evident in 1998. According to Human Resources Development Canada, there were 60 strikes involving 500 or more workers—more than double the previous year's tally. "At the moment, our membership is averaging more than 1,300 workers on strike a week," says Grégoire Laroche, the outgoing head of the Central and Western National Trade Unions in Quebec. "That's about three times what we've normally had over the past six or seven years." The level of distrust between employees and their bosses concerns Professor Kucera, a professor at the school of industrial relations at Queen's University.

But the West, grain handlers who belong to the Public Service Alliance of Canada have disrupted the port of Vancouver, causing grain shipments to China and the loss of millions of dollars in the Asian market. Through a series of rotating strikes, fellow PSAC members in Burnaby, B.C., have slowed the processing of income tax returns arriving from both the Island and parts of southern Ontario. In Montreal, yet more federal government workers continued a steady stream of rotating walkouts began in January that last week slowed rush-hour traffic to prevent home demands for higher wages. PSAC says 14,000 blue-collar members are determined to get Ottawa to yield to their wage demands after home salaries frozen for seven years. Ottawa this week is expected to introduce back-to-work legislation to get groups and tax forms moving. In response, PSAC threatens a mass walkout by all members.

Quebec could soon see its own employees causing disruption. Earlier this month, the province balanced its budget for the first time in 40 years. That did not go unnoticed by its union. Last week, leaders representing 415,000 provincial employees unanimously rejected Treasury Board secretary Jacques Lévesque's contract offer of 4.6 per cent over three years, one that he described as "very fair" and in line with private sector settlements. Three of the unions representing most of Quebec's public sector have formed a common front demanding 11.5 per cent over three years. "People who have nothing to lose will strike," says Laroche of the CNLU.

No sooner does one conflict end than another workers, Ontario is seen in a point after tense negotiations with the Ontario Public Service Employees Union, whose 40,000 members had but had a raise in six years, a tentative agreement was reached on a 4.3 per cent wage hike over 36 months—the start of the union's demands. At the same time, the Toronto Transit Commission's 7,000 collectors, operators and maintenance workers voted 99 per cent to give its head union a continuing strike mandate.

On the health front, several associations of nurses and doctors across the country are demanding more money after years of government-imposed wage freezes, reduced budgets and staff cuts. In British Columbia, doctors closed their offices for the week, causing long waiting emergency wards. Their dispute is over capped salaries. Nurses in Saskatchewan are prepared to walk out on March 31, and in Newfoundland they are set to go out this week.

Kudrinsky Gagnon, president of the 15,000-member National Federation of Public Employees and the largest for the first time since 1980, also has major concerns in Alberta and Manitoba. Governments on record months of the need to light deficits at the 1990s, Gagnon says. "Now, they're seeing increases in funds from the federal government to the provinces, balanced budgets at the provincial level, and they're saying, 'We made sacrifices, now it's our turn to have a share.'"

That so many disputes are in the public sector could come as a surprise, says Shirley Seward, chief executive officer of the Canadian Labour Media and Promotional Council. Her organization, which draws its membership from both business and labour, surveyed managers and workers in the public sector in 1996 and 1998, asking them to rate industrial relations in their own organizations. The results showed that the gap in their perception is widening: 15 per cent of managers thought relations were either poor or very poor, while 40 per cent on the labour side felt relations were poor or very poor. "We see it coming in '98," Seward

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BUSINESS

says "It was reinforced in '88 and it's going to get worse before it gets better."

In the private sector, both the airline industry (where the concern is wages) and the auto sector (where the main issue is job security) appear to be at a stalemate in 1989. For travellers planning flights, patience and flexibility may be required. The collective agreement covering members of the Canadian Air Traffic Control Association expired in December, 1987. Since then, air traffic controllers have been unable to reach a settlement and labour disruptions are possible.

Shoppers' equally unfriendly at Air Canada, which faces yet more labour trouble after settling with striking pilots last September. The airline attributed a loss of \$10 million for 1988 mainly to the 13-day long pilot strike. Now it faces negotiations with three unions, representing flight attendants, mechanics, and purser/proxy and cabin crew. The collective agreement with clerks expires on March 31, the mechanics' is up on June 30. Flight attendants are without a contract and are in negotiations.

In the auto industry, Canadian Auto Workers union president Brian Hawkey says developing what is an integral part of Chrysler as the union goes to the table to negotiate with the Three autobanks—General Motors, Ford and Chrysler. In the past decade, the workforce at General Motors in St. Catharines, Ont., alone has been cut from 9,100 to about 3,000—including 1,100 announced in February. Making headway on job protection will be difficult for the unions, says automotive news editor Dennis Davidson, who adds that the auto industry is changing and consolidating to contend with the realities of a new global marketplace. "Those that try to protect jobs create inefficiencies and fail in the process," he says. "It's one of the reasons why General Motors has gone from 35 per cent of the market down to under 30 per cent of the market in North America."

With private sector companies increasingly contending with global competitors, even in the good times, money doesn't flow readily to the workforce. "Competitors today can emerge from anywhere in the world," says Peter Remondino, vice-president of the Conference Board of Canada Centre for Management Effectiveness. "A company that's doing extremely well can, within 15 minutes, find itself in tremendous peril." That sentiment is shared by Stephen Hawkey, an industrial relations professor at Simon Fraser University in Burnaby, B.C., and an adviser to SFU's Centre for Labour Studies. For many business owners, Hawkey says, the benefits of globalization are real. But he warns that some companies, in the face of increased competition, continue to chop workforces without laying the groundwork with their employees. "A lot of people change," says Hawkey, "but a lot of us do with what's going on here." And it may have a lot to do with a budding spring and summer of labour disputes. □

All Creditors Including Silicone Breast Implant Recipients, Other Silicone Implant Recipients, Other Creditors and Other Interested Parties To The Dow Corning Bankruptcy

NOTICE TO ALL CREDITORS AND OTHER INTERESTED PARTIES OF (A) ORDER APPROVING AMENDED JOINT DISCLOSURE STATEMENT WITH RESPECT TO AMENDED JOINT PLAN OF REORGANIZATION, (B) VOTING ON AMENDED JOINT PLAN OF REORGANIZATION, (C) DATE, TIME AND PLACE OF CONFIRMATION HEARING AND (D) OTHER CONFIRMATION ISSUES

IN RE: DOW CORNING CORPORATION, CASE NO. 95-20512 (CHAPTER 11), JUDGE ARTHUR J. SPECTOR

NOTICE IS GIVEN THAT:

1. On February 6, 1995, the United States Bankruptcy Court for the Eastern District of Michigan, Northern District of Court ("Court") entered its order ("Order") approving the Amended Joint Plan of Reorganization ("Amended Joint Plan") of Dow Corning Corporation ("Dow Corning") and its subsidiaries and affiliates, as filed with the United States Bankruptcy Court on February 6, 1995. ("Amended Joint Plan")

2. Chapter 11 of the Amended Joint Plan provides that if it is confirmed and becomes effective, all claims against the Debtor will be discharged and all claims against the Debtor will be released under certain conditions. ("Discharge")

3. The Court has on June 23, 1995, entered its order ("Order") approving the Amended Joint Plan, which will provide for the discharge of the Debtor's claims against the Debtor. ("Discharge")

4. Any creditor or party in interest may object to the confirmation of the Amended Joint Plan. Any objection to the confirmation of the Amended Joint Plan must be in writing, specify the nature and grounds of the objection, and be filed with the Court or the address specified in paragraph 3 hereof and served on a creditor or party in interest on or before April 19, 1995. An objection to the confirmation of the Amended Joint Plan must be confirmed within 30 days prior to the date of the confirmation hearing or otherwise as otherwise provided in the Bankruptcy Code.

5. The Amended Joint Plan provides that if it is confirmed and becomes effective, all claims against the Debtor will be discharged and all claims against the Debtor will be released under certain conditions. ("Discharge")

6. Any creditor or party in interest may object to the confirmation of the Amended Joint Plan. Any objection to the confirmation of the Amended Joint Plan must be in writing, specify the nature and grounds of the objection, and be filed with the Court or the address specified in paragraph 3 hereof and served on a creditor or party in interest on or before April 19, 1995. An objection to the confirmation of the Amended Joint Plan must be confirmed within 30 days prior to the date of the confirmation hearing or otherwise as otherwise provided in the Bankruptcy Code.

7. Any creditor or party in interest may object to the confirmation of the Amended Joint Plan. Any objection to the confirmation of the Amended Joint Plan must be in writing, specify the nature and grounds of the objection, and be filed with the Court or the address specified in paragraph 3 hereof and served on a creditor or party in interest on or before April 19, 1995. An objection to the confirmation of the Amended Joint Plan must be confirmed within 30 days prior to the date of the confirmation hearing or otherwise as otherwise provided in the Bankruptcy Code.

8. Any creditor or party in interest may object to the confirmation of the Amended Joint Plan. Any objection to the confirmation of the Amended Joint Plan must be in writing, specify the nature and grounds of the objection, and be filed with the Court or the address specified in paragraph 3 hereof and served on a creditor or party in interest on or before April 19, 1995. An objection to the confirmation of the Amended Joint Plan must be confirmed within 30 days prior to the date of the confirmation hearing or otherwise as otherwise provided in the Bankruptcy Code.

9. Any creditor or party in interest may object to the confirmation of the Amended Joint Plan. Any objection to the confirmation of the Amended Joint Plan must be in writing, specify the nature and grounds of the objection, and be filed with the Court or the address specified in paragraph 3 hereof and served on a creditor or party in interest on or before April 19, 1995. An objection to the confirmation of the Amended Joint Plan must be confirmed within 30 days prior to the date of the confirmation hearing or otherwise as otherwise provided in the Bankruptcy Code.

10. Any creditor or party in interest may object to the confirmation of the Amended Joint Plan. Any objection to the confirmation of the Amended Joint Plan must be in writing, specify the nature and grounds of the objection, and be filed with the Court or the address specified in paragraph 3 hereof and served on a creditor or party in interest on or before April 19, 1995. An objection to the confirmation of the Amended Joint Plan must be confirmed within 30 days prior to the date of the confirmation hearing or otherwise as otherwise provided in the Bankruptcy Code.

11. Any creditor or party in interest may object to the confirmation of the Amended Joint Plan. Any objection to the confirmation of the Amended Joint Plan must be in writing, specify the nature and grounds of the objection, and be filed with the Court or the address specified in paragraph 3 hereof and served on a creditor or party in interest on or before April 19, 1995. An objection to the confirmation of the Amended Joint Plan must be confirmed within 30 days prior to the date of the confirmation hearing or otherwise as otherwise provided in the Bankruptcy Code.

12. Any creditor or party in interest may object to the confirmation of the Amended Joint Plan. Any objection to the confirmation of the Amended Joint Plan must be in writing, specify the nature and grounds of the objection, and be filed with the Court or the address specified in paragraph 3 hereof and served on a creditor or party in interest on or before April 19, 1995. An objection to the confirmation of the Amended Joint Plan must be confirmed within 30 days prior to the date of the confirmation hearing or otherwise as otherwise provided in the Bankruptcy Code.

MERGER WORRIES

Atlantic Canada's four major telephone companies announced they are in talks over a potential merger. New Brunswick's Brancor Inc., which runs NBTEL, Maritime Tel and Tel of Nova Scotia, NewTel Enterprises of Newfoundland, and Prince Edward Island's Island Tel could merge as early as this week, analysts said, despite concerns over job losses expressed by New Brunswick Premier Gaston Theriault.

MILLIONS IN LOSERS

Six months ago, the Canadian Imperial Bank of Commerce paid \$130 million for its stake in Bermuda's Global Crossing, a fibre-optic company. Last week, after Global said it was buying the American telecom company Frontier Corp., CIBC's 17.5-per cent stake in Global was worth an astonishing \$5 billion on paper. Under U.S. securities laws, CIBC is not allowed to begin selling its interest in Global until August.

WTO SOURS ON MILK

The World Trade Organization ruled in favour of the United States and New Zealand, ordering Canada to scale back its industrial dairy exports and allow foreign producers greater access to its domestic market. Canadian officials said milk exports worth up to \$100 million a year could be affected. Ottawa said it will consult the provinces before deciding whether to appeal.

THE AMERICANS?

An American-owned company bought the Brampton, Ont.-based robotics division of Spar Aerospace that, among other things, makes the Canadarm. MacDonald-Dettweiler and Associates Ltd. of Richmond, B.C., a subsidiary of QinetiQ Systems Corp. of Dulles, Va., said it does not intend to change the name of the remote manipulator device—a source of Canadian pride in dozens of space shuttle missions.

A NICE ROUND NUMBER

For the first time, the Dow Jones industrial average hit the 10,000 mark. If only briefly. The Dow index, which tracks 30 influential stocks, hit the psychological threshold several times during the week, only to sink back by closing time. The Dow has risen 800 points (nearly nine per cent) in 1999, and is on track for what would be an unprecedented 6th straight year with a gain of at least 10 per cent.

Placing stock in change

Investors hailed a major realignment proposed by the Quebec loan stock exchanges that is designed to fit away with a confusing patchwork of multiple listings. But the plan drew mixed reactions in Quebec after it was announced that the Montreal Exchange will be relegated to a junior trading role. Under the plan, senior stocks will be listed only on the Toronto Stock Exchange, while junior stocks will be debited to an exchange created by merging those in Calgary and Vancouver (Montreal will trade only derivatives and options, used by investors as a hedge against price fluctuations). Some investors questioned whether the change will affect the government's plans for national bond. Responding to the controversy, Quebec Finance Minister Bernard Landry appointed a high-level committee to study the initiative, but also noted that many sovereign countries have no exchanges.



Trading in Montreal: a diminished role under review

S&P. Landry said the Quebec Securities Commission, like market regulators in other provinces, has the power to halt the repositioning of the exchanges. He said there was a need to investigate the proposal, adding that "we want financial activity to go up, not go down or be eroded." Prior to the announcement, the Toronto Exchange already traded more than 85 per cent of stock in Canada. There was no immediate decision as to where the Calgary-Vancouver exchange would be located.

A surge for Eaton's

Burgundy-hungry investors snapped up shares in Eaton's amid speculation that the troubled department store would issue the solid Sears general public last year, stocks in the beleaguered retailer have plummeted from the initial offering of \$15 a share to as little as \$1.90. But the stock rallied last week on assumptions that a number of companies, including Sears Canada, Quebec-based Lux Boutiques and San Francisco,

and U.S.-based Potlatch Department Stores, planned to discuss buying Eaton's and splitting it up. The surge followed news that Eaton's lost \$72 million last year, more than most analysts had predicted. "I guess people are willing to make a bet that the rumors are true," said Ian Gordon, a consultant at the J. C. Williams Group in Toronto. As for the stock's increase, he added, "it is certainly not related to any hope that suddenly I'll be able to turn around and start making money."

FINANCIAL OUTLOOK

The mutual fund industry is absorbing a body blow—its worst RISP season since 1995. Net mutual fund sales for January and February were 29 per cent below the total for the same period the year before as many Canadians failed to make contributions to their registered retirement savings plans before the end of February deadline. According to The Investment Funds Institute of Canada, the value of net sales was \$6.0 billion, compared with \$10.6 billion in 1998, \$15.2 billion in 1997 and \$9.2 billion in 1996. Mutual

funds also faced greater competition this year from retail products such as equity-linked GICs and segregated funds.

When consumers did purchase

RISP SEASON SALES (in billions)



chase regular mutual funds, they flocked to U.S. and global equity funds, the February results show. Canadian content was mainly in money markets, fixed income or balanced funds.

"What's causing mutual funds to decline? It's a combination of lower savings rates, lower RISP contributions generally, disappointment with the returns last year, and a great deal of uncertainty as to whether stocks are the place to be going forward."

—Dan Richards, president, Marketing Solutions

JUNE 1992 "FIRST OIL" FROM COHASSET NOVEMBER 1997 "FIRST OIL" FROM HIBERNIA NOVEMBER 1999 "FIRST GAS" FROM SABLE

THREE THIRDS EVENTS about the advent of a new economic era for the Atlantic Provinces. Since the 1930s, there has been periodic petroleum exploration in the region. After great prospects yielded with the discovery of oil and natural gas deposits, they dried up with the realization that development costs were too high to proceed.

The Hibernia discovery off Newfoundland's coast changed all that. Four factors combined to make development possible. The Hibernia field size was enormous; technological advances in offshore drilling meant oil could be delivered to markets at a competitive price; innovative financing guarantees made it possible to attract risk; and the willing participation of both provincial and federal governments guaranteed secure legal and regulatory administration.

While development work on Hibernia began in 1990, the path to "first oil" was not smooth. The support infrastructure for such a project was minimal

and regulatory processes had to be put in place. But by 1996, Hibernia had delivered oil to its pipeline. In part, its success has paved the way for other developments. Work on the Terra Nova field has begun and work on the fields at Whiterose and Deasea will likely begin during the next period. Significantly, there is now a local infrastructure capable of handling these projects economically. As firms from Newfoundland employ experienced and competent staff, time has been able to secure significant contracts. Both development and production costs have decreased.

The Terra Nova site is similar to that of ten other projects. In the 1990s, major companies worked on a natural gas project led by the mid-1980s led to abundant new thoughts of development. At the costs of production were too great, markets were too small and uncertain. Yet within ten years, these related developments offered these conditions and Hibernia decided to have another look.

The list of these developments was inherent in the industry. From the field and oilfield experienced with new business processes that evolved out of their North Sea experience. Joint ventures between companies shared risks and improved resource allocation, efficiency, with expanding drilling and options firms share the time frame between selection and production. Technological advances with the related development. For example, new technology allowed the pipeline to use a single platform supported by several unmanned satellite platforms to draw lines a wider range of the gas field. The third development was the expansion of markets for natural gas. By the mid-1990s, it appeared that New England could provide an anchor market for Scotford Shell gas. On these foundations, the Sable Offshore Energy Project (SOEP) was established.



The SOEP's Sable Offshore Energy Project (SOEP) is the largest oil field in the world. It is located in the Gulf of St. Lawrence, off the coast of Newfoundland and Labrador. (Photo courtesy of Hibernia Ltd.)

Energy

The Hibernia field was discovered in 1979. It lies 325 km east-southeast of St. John's within the former EEZ limits which defines the maritime province of the United States. The field has a expected life of 35 years, it contains three billion barrels of oil of which 625 million are recoverable. It is the 19th-largest field ever discovered in Canada. Development work on Hibernia began in October 1990. "Test oil" emerged on November 17, 1991. Hibernia is now into its second year of production and is expected to be at peak production this year.

The Hibernia Platform is custom-built for the unique challenges of operating in waters where icebergs are prevalent. However, the platform sits in shallow water (40 m) where icebergs are unlikely to encounter it is comprised of three separate units, the Topside drilling and production facilities, the Gravity Base Structure (GBS) and the Offshore loading barge. It is 224 m high—exceeds the height of the Empire State Building.

Capital costs to the Hibernia construction phase have been estimated at \$5.8 billion. Over 45 per cent of expenditures took place in Newfoundland and Labrador. Construction involved 510 million above ground hours of which more than 40 per cent occurred in Newfoundland. During the first five years of the operating phase, approximately 3,000 workers in 3,500 million will be spent annually with employment expected to be around 650 people.

Other news

The field was discovered in 1964. It lies 300 km east-southeast of St. John's, 35 km southeast of Miramichi and has an expected life of 17 years. Development work began in 1995. "Test oil" is expected in December 2000. The Topside Processing Unit will be designed to produce 125,000 barrels of oil per day.

Two new wells will be developed using a Floating Production Storage and Offloading (FPSO) facility. The facility will be a ship-shaped vessel with integrated oil storage from which oil will be offloaded onto a shuttle tanker. The FPSO will be 250 m long and 40 m wide and will have an oil storage capacity of 360,000 barrels.

Of the \$4.5 billion in total capital and operating costs, the province expects that some 50 per cent will be spent in Newfoundland and another 30 per cent in other regions of Canada.

The development will generate about 20,000 million person-hours of direct employment, approximately 30 per cent in Newfoundland. During peak activity in the order of 1995 to 2000, 30,000 short-term jobs will be available in the province. Direct employment levels during the operations phase will range between 100 and 450 long-term jobs.

There have been a number of Hibernia misadventures. According to Gary Brunt, Chairman of the Nova Scotia Management Commission, "The timing of facilities will result in the need for cost efficiency that will help the region continue to attract investment by the oil industry. Our goal is to develop a business viable oil and gas industry offshore Newfoundland that is competitive with other oil and gas producing regions around the world."

The Hibernia platform is located 225 kilometres east-southwest of St. John's, off the Grand Banks. Newfoundland, November 27, 2001
(Photo courtesy of Hibernia Development and Production Company Limited)



Bull Arm Construction and Fabrication Site

The government of Newfoundland and Labrador has always recognized the importance of establishing infrastructure in order to maximize potential benefits. To this end, the government invested \$200 million out of a total cost of \$470 million in the Bull Arm Construction and Fabrication Site.

This new facility is located in Sandy Bay, 155 km west of St. John's, is now one of North America's premier construction facilities. It combines dry dock capability and a deep water site with advanced, exact fabrication technology. Bull Arm was built for the construction and assembly of the Hibernia production platform and its contribution to the Newfoundland economy hardly ends there. Thanks to years of experience in Hibernia (newfoundland) now has a major base fully prepared for future projects at Bull Arm.

The quality of work undertaken at Bull Arm is considered second to none. In fact, to further improve the competitiveness of the site, a group of "trade unions" called the Petroleum Development Association negotiated a collective agreement with PCL Industrial

Construction Inc. (PCI). This government-entire agreement is based upon a single union concept with no jurisdictional boundaries.

On March 5, 2000, PCI announced that it had entered into a lease agreement with about \$100 million with the Bull Arm Site Corporation to build a new shipyard. First steel work in April 2000. Bull Arm for the Hibernia Project is scheduled to start.

Above: The Bull Arm dry dock, America at Newfoundland and Labrador. Photo: Peter Smith. Below: The first piece of steel for Hibernia at the Bull Arm facility.



NRCan

Message from the MINISTER



The East Coast oil and gas sector is on the threshold of a surge in development and growth. As Minister of Natural Resources Canada, I am excited by the new, high quality economic opportunities that development will bring to Atlantic Canada.

Recent estimates by Model Oil Canada placed the future potential of the Tens Coast offshore alone at the equivalent of 43 billion barrels of oil. Cumulative investment could reach \$20 billion by the year 2005.

These investments will be in technology, in infrastructure and most importantly, in people. They will mean that the people of Atlantic Canada—particularly young people—will be able to land first class employment in their home region.

My department is committed to making Canada the world's premier natural resources developer, user and exporter. We will be the most high-tech, the most environmentally friendly, the most socially responsible, the most productive and the most competitive.

For the energy sector, this means being the best in the world—the most intelligent and innovative—in finding, developing, producing, delivering, consuming and exporting safely stored and diversified energy products, skills, services and technology. We also must ensure enhancing the sector's environmental performance—meeting the challenge of change through by wisely using and developing our energy resources to meet the needs of Canadians now and in the future.

Canada's brain power is the key. And much of it is based in Atlantic Canada—contributing top notch human resources, plentiful natural resources and innovative technology for success into the 21st century.

Ralph Goodale

Canada

Message from the Premier of Newfoundland and Labrador

The petroleum industry in Newfoundland and Labrador continues to grow and expand at an accelerating pace.

In 1998, the industry moved from a single project to multiple developments. Hibernia, our first producing oil field, is exceeding its expectations with world-class wells. The Terra Nova Project is progressing very well with first oil expected by late 2000. Delekation drilling on the Hebron field has commenced and delineation of the Whitehorn field is also imminent. The continued impact of these projects could result in production of at least 400,000 barrels of oil per day by 2008.

These positive trends will continue into 1999 and beyond. There is a record interest in exploration in the Newfoundland and Labrador offshore. The province has a competitive generic regime, highly experienced companies, a dedicated and well-trained workforce, significant industry infrastructure and, most importantly, the resources necessary to provide a solid framework for continued dynamic growth in the petroleum sector.

I am extremely proud of our accomplishments to date, and I welcome your interest in our future.

Brian Tobin

Brian Tobin

Cohasset-Panama (COPAN)

Through the 1990s and 2000s, exploration with land reclamation the Scotian Shelf as a rich depositing of oil and gas, although it was unclear whether these resources could be developed economically in 1999, the Jubilee and Scotian Margin Oil Company (JMCO) and Nova Scotia Resources (NSR) issued permits for the development of three oil fields 22 km off of Scotia's shore. "One off" was awarded in June of 1999. In 1999, COPAN purchased JMCO's 50 per cent interest in the field and acquired its management.

Though successful as a business venture, the real significance of COPAN lies in its lasting contribution. Work associated with COPAN helped create the infrastructure which NSP has built upon. In addition many of the regulatory instruments which will govern the industry in the future were refined by their use at COPAN. The firm's knowledge base has grown substantially over the past few years and knowledge retained in Nova Scotia can now be expected to offer ProCanada offshore projects.

Sable Offshore Energy Project

"On budget, on budget!" These exclamations catch the excitement generated by the Sable Offshore Energy Project (SOEP) as it approaches its November "first gas" delivery date. The remarkable historical achievement focuses global attention on the future of oil and gas development in Nova Scotia.

Sable Offshore Energy Corporation (SOEP) is a joint venture of Statoil (54 per cent), Shell Canada (23 per cent), Imperial Oil Resources (3 per cent), Nova Scotia Resources (5.4 per cent), and New Brunswick Resources (9.9 per cent). It received regulatory approvals in 1997. Over the next 25 years, SOEP will develop an offshore gas field on the Scotian Shelf. The field's output will be delivered to shore via a pipeline of approximately 600 km.

SOEP is the largest industrial undertaking in the province's economic history and is currently the largest construction project in Canada. It comprises offshore and onshore facilities for the production and processing of natural gas. Gas and associated natural gas liquids from offshore production platforms will be collected and brought ashore via a submarine pipeline to a gas plant located at Goldboro in Bay of Fundy County (Nova Scotia); gas will be transported via pipeline to New England, and natural gas liquids will be transported via a smaller pipeline to the industrial plant in Port Tupper. In addition to Goldboro and Port Tupper, three onshore activities have been taking place at Sheet Harbour and Goldboro.

To ensure that all facets could proceed simultaneously and to reduce costs, SOEP proponents structured an alliance with seven companies representing the best-of-breed from the industry. The partners with their responsibilities are: **Alliance Canada**



Top: Aerial view from Sheet Harbour showing land and offshore construction. Sable's gas plant under construction. Sheet Harbour processing facility. Middle: Goldboro gas plant. Bottom: Processing facility at Port Tupper.

LM offshore pipeline installation; **Saunders Canada** LM offshore transportation and installation; **AGRA Resources/Beacon & Red Joint Ventures** rigging, procurement and construction management; **BB&J**, a **Johnson Group (Johnson & Red Energy Services, B&J Offshore Ltd., AGRA Resources)** all services construction management; **Norman Oil and Gas Ltd** offshore fabrication (Tribble and Portland); **Chug Valley (Canada) Ltd** industrial control systems; **MBT Industries/Beacon & Red Joint Ventures** offshore

jackets and legende fabrication (North Thompson). The alliance created an integrated team with the common goal of delivering gas to market by the end of 1999 safely and economically.

At the halfway point in the project's development, the drilling operations are on schedule to meet the first gas target of November 1999. Two rigs are currently drilling the production wells offshore using some of the latest technology. The *Alcona* drills a 14 1/2 inch high pressure north temperature (deep) drilling rig, qualified for the

harsh production well with one night multiple runs. Production drilling is also underway at Portland using one of the most advanced jackup rigs in the world, the *Statoil* *Statoil* *Statoil*.

SOEP has worked closely with government agencies to meet the commitments made in the approved development plan. They have provided employment opportunities for Nova Scotia and have followed cooperative contract-jacking from local firms. Through the implementation of its Environmental Protection Plan, SOEP has worked to minimize any impact on the environment. Likewise, through extensive attention to safety, it has worked to maintain rules to both its employees and the public.

When Sable gas comes into production, the project will have injected more than 1500 million into the Nova Scotia economy. Over 80 per cent of that will be the cost of material supplied by Nova Scotia businesses. The balance will have been paid as wages to Nova Scotians.

The first phase of SOEP is estimated to cost \$2 billion and has an onshore date of November 1999. The 25-year production phase will also provide significant benefits to the province. SOEP estimates there will be \$28 million in annual purchases from Nova Scotia firms and an additional \$12 million annually in wages and salary payments to Nova Scotians. Benefits and spending from the province towns where an entire community of new jobs will be generated. Increased activity in business and retail sectors. The gas plant at Goldboro will give some way to alleviate a downturn in the local fishery and the Cape Breton Regional Development Authority has been actively active in attracting new business to the area. In Port Tupper, the fabrication plant will contribute to an existing industrial base. Finally, now the administrative centre of the project, will also be a long-term beneficiary.

In 1997, the government of Nova Scotia established the Nova Scotia Petroleum Development Board, the leadership of Deputy Minister Dr. Patricia Topley, the Director, coordinated the project's role in the petroleum industry. It maintains a comprehensive web of responsibilities to supply and for means, license and economic development and energy, regulatory and environmental processes, transportation and utilization coordination and education training and benefits. The Board's primary goal is to create a climate for growth and to ensure the province and its citizens may be benefited from that growth.

The awarding of a significant number of SOEP contracts to local firms, the development and delivery of many specific training and education programs, and the massive amount of activity has shown in future exploration rights are signs of the Decade's success. For the Decade's success is always on the horizon, possibilities created by SOEP and SOEP in Dr. Topley's words "We need to reach out and educate themselves to realize these opportunities and provide the support and encouragement they need to pursue themselves to reap those benefits over the long term."

From the beginning of the project, the Sable exploration has placed a priority emphasis on local content. SOEP's wholly constructed drilling is based on putting as much work into Nova Scotia as economically and reasonably possible. There are more than 500 workers employed on and around the project, of which 600 are located in Nova Scotia. Over the life of the project, Sable estimates the Nova Scotia content will be greater than 50 per cent.

SOEP has also focused attention on local business products. The Policy Development Unit recognized how a local firm could be the opportunity to growth into business the IP of Fobos, has remarked, "The SOEP contract has brought us to a new level of expertise and competence." Shaw and Shaw, a partnership between the Shaw Group, an established Nova Scotia manufacturing firm and Calgary's Shaw Pipe Production, another successful joint venture.

To ensure that more value-added business opportunities are captured locally, the industry and government must work to maximize the benefits of new technology, equipment and knowledge into the region. Not only has the Sable project brought through on its commitment to invest with Nova Scotia firms, it has also helped Nova Scotia to go the very specialized work that is required for the oil and gas industry. The organization is committed to technology transfer and business, having an environment that attracts, trains and develops the human resources required to do business in new and emerging ways in a critical success factor for the project and the future of the industry in the province.

SOEP's business plan, as shaped by a team from the future - at the meeting of a sustainable gas industry. Successes at meeting an extremely complex and multifaceted development plan have already made it a milestone for the natural gas industry. SOEP is pioneering a new business, factory will likely make 25 addresses as companies in London, the event that launched the modern petroleum industry in New Brunswick.

Since its inception just a few short years ago, SOEP has offered the Nova Scotia business community with optimism. The workings of the offshore partners have completed the work that can come from teamwork. SOEP's combined strategy, and its approach to technology transfer and skills development, have made it a model in the business community. The emphasis that its business partners place on concepts like diversity impact on the environment, and

commitment to workplace safety enhances that model. At the same time, SOEP has improved its ongoing responsibility as timely and thoughtful work. It has given direct support to advanced research and assistance to educational programs and is committed to contributing to the health and prosperity and life of the communities in which it operates, both at Nova Scotia.

Maritimes & Northeast Pipeline (M & N)

The most important aspect of SOEP is its onshore natural gas pipeline being constructed across Nova Scotia and New Brunswick from Goldboro to St. John's. In November 1999, Maritimes & Northeast Pipeline will begin transporting SOEP natural gas to markets in Nova Scotia, New Brunswick and New England. For the first time in their history, domestic commercial and industrial customers everywhere in the Maritime Provinces will have access to natural gas. Distribution rights will be awarded by July 1, 1999. Increased energy costs will allow local firms more competitive and should stimulate new businesses and the reduction of costs to the region.

MAN has also had significant work with the National Energy Board to build local pipelines to Port Tupper (New Brunswick), Halifax and Saint John. Market analysis is now underway to identify feasibility to constructing additional interests in New Cape Breton, northern New Brunswick and Prince Edward Island. These interests likely would divert some major industrial customers and also local distribution companies.

The estimated cost of the pipeline project, including the mainline and the interests, is approximately \$1 billion. It is forecasted to provide a new base of more than \$25 million annually for federal, provincial and municipal governments.





IRVING OIL

Helping to Shape the Future of Energy in Atlantic Canada

"The introduction of Sable gas will drastically affect the way business is done in Atlantic Canada," says Steve Kestnak, Irving Oil's General Manager of Business Development. "It will provide Atlantic Canadian companies with greater opportunities to control energy costs and become more export competitive in the much global markets where we compete."

Living Oil recognized the vast potential of natural gas several years ago. The company has been a strong supporter of the Sable Offshore Energy Project and Maritime & Northeast Pipeline and has participated in several regulatory proceedings to ensure the benefits of access to natural gas are shared by as many Atlantic Canadians as possible. Early in this year, living Oil made a long-term commitment to purchase over \$1 billion of the initial Sable Gas production.

Irving Oil's investment in natural gas is a significant opportunity for the company to enhance the range of energy service offerings it already provides. By adding natural gas to its basket of energy options, the petroleum refining and energy marketing company increases choice and flexibility for its customers.

A strong customer focus has always been the driving force at Irving Oil. Back in 1926, the automobile was a fairly recent arrival to Atlantic Canada, but Kenneth Colin Irving knew that more and more cars would be coming down the road. More importantly, he realized that Atlantic Canadians' needs had changed. He opened the company's first service station and set out to provide a range of top-quality products and services that would best meet the growing requirements of customers.

Irving Oil backs up its commitment to providing for its customers' future needs with ongoing innovation in its business and ongoing reinvestment in the region. At a time when many players in the world of industry are merging or scaling back their operations — nearly half the refineries in North America have been shut down since 1981 — Irving Oil is investing over \$2 billion in the next two years to upgrade its state-of-the-art refinery in Saint John.

The Irving Oil Refinery is Canada's largest and, using the Solomon Associates benchmark, is ranked as one of the top-performing refineries in the world. The upgrade project will improve the refinery's leading-edge environmental standards and further enhance its efficiency.

A conventional approach to the upgrade process would have resulted in increased emissions. Instead, Irving Oil has chosen to spend over \$100 million on environmental controls to significantly reduce these emissions. Environmental controls and advanced new units that will enable the refinery to reduce sulphur dioxide emissions and shift production from heavy fuels, such as bunker, to lighter, more environmentally friendly transportation fuels. As well, a new aromatics separation unit will refine cleaner-burning gasoline by lowering benzene levels.

This major upgrade project will also create numerous economic benefits for the region. Between 2,000 and 3,000 jobs will be created during construction and every dollar created by upgrade-related employment is projected to generate an additional \$2 to \$3 in economic activity. As a result of the upgrade, New Brunswick's Gross Domestic Product (GDP) is expected to increase by two per cent over the life of the project.

In making the decision to upgrade at this time, the availability of natural gas was a determining factor along with the company's recent growth in the Northeastern U.S.

Training and education are key elements in the infrastructure of an oil and gas industry. The Atlantic Provinces are richly endowed with universities and colleges, high levels of participation in post-secondary education together with a strong secondary school system have produced a well-trained work force.

The Nova Scotia Community College is quickly becoming a leader in educating Nova Scotians for new economy jobs. As Nova Scotia has established itself as an oil and gas industry in waiting at the future, the NSCC has developed executive programs to prepare Nova Scotians to compete for and secure positions in these emerging fields.

In the Spring of 1998, the RWatts Graduate Centre of Electrical Technologies (RCET) will open its first studios. The Centre will focus Courses only situated hazardous electrical area training facility Working together with its partner Aberdeen College in Scotland the College will offer Students a internationally recognised program of competence based training and assessment for electrical and instrumentation technicians working in hazardous areas. Certified initially in support of industry partner SSI² RCET estimates to cost 200 students, at its full size.

One of 60221 award programs was designed to foster student employment in a Gas Technicians. The first class began in February 1983 and students are now preparing themselves for the position of either cultural gas and propane in a school-the art training facility at the Aesthetics Campus in Sarnia. The program builds upon the founding principles of the International Gas Industry Council and International Approval Services, a joint venture of the Canadian and American Gas Associations which is recognized as the highest standard of gas training available in North America.

Two other HXCC companies are building on existing projects. The Centre of Geographic Systems (CGS) provides training in satellite positioning and hydrographic/sounding techniques. Its graduates find employment in the geophysical and exploration industries worldwide. It is not unusual for a CGS graduate to be in charge of the navigation of a seismic vessel, or of positioning a rig move, anywhere from Saudi Arabia to Vietnam. New courses in Marine Geomatics will further expand the training that CGS offers in the oil and gas industry.

The Medical Institute trains students on the commercial marine side of the offshore industry where crews must be well-versed in marine safety and specialized resuscitation skills. Students that work on the support vessels that supply oil rigs. The Medical Institute provides pre-work training through its state-of-the-art navigation simulators where any port in the world can be replicated by the latest technology.

Partnering with industry, the RSCC has developed and implemented a program - "Entrepreneurship - design for girls aged 9 to 12 who are interested in exploring career options of the future. Subtle Shifters Energy Incorporated generously sponsored this year's event and worked closely with the College Women at Trades and Technologies (WITT), and the Department of Education and Culture, Approaching Saving Theaters in course curriculum and development.

Memorial University provides strong support in equipment and research related to the geology and natural resources of Newfoundland. Its Earth Sciences Department offers BSc, MSc and PhD degrees in all aspects of Earth Sciences, including petroleum geology and geophysics. The department, with its Centre for Earth Resources Research, is housed in a recently well-equipped research and teaching facility provided by the Canada-Newfoundland Offshore Development Fund. Faculty and students are involved in oil and gas projects on the Grand Banks on the west coast of the island, and internationally.

Memorial University has particular strength in applied acoustics, the most widely used technique for characterizing the sub-surface structure of potential petroleum reservoirs. The Memorial University Seismic Imaging Consortium (MUSIC) has over a dozen industrial sponsors including the National Management & Development Company, who support research into advanced methods for improving the clarity of seismic images.

Marine's Marine Institute Inc. specialized programs and unique facilities has made it one of North America's primary sites for marine education. Private and public industry leaders, including shipyard employers, and top producers using Institute expertise about 70 per cent of its funding comes from private industry. Regular programs such as the diplomas in Marine Engineering Technology and Nautical Science prepare students to work on offshore rigs and supply boats. The Institute's diploma programs boast a 90 per cent graduate employment rate.

The University of New Brunswick Ocean Mapping Group was established in 1985 in response to a national need to develop advanced ocean mapping capabilities. The research of the group focuses on learning new techniques and tools for the management, processing, visualization and interpretation of ocean mapping data.

The group has developed proprietary technology that generates three-dimensional maps from multibeam sonar systems. The UNB system was used to investigate the ocean floor where the Miramichi SCS is now located. UNB has also used this technology to create maps for the Atlantic coastline.

Information about presentation, from Lynn Justice, International Manager, S&P Inc. in the U.S., presented New South Community College. Effects courtesy of Pharma-500.

The Bedford Institute of Oceanography houses the Geological Survey of Canada (Atlantic). To assist the development of hydrocarbon resources, the GSC (Atlantic) provides geoscientific information on onshore and subsurface conditions. Specifically GSC (Atlantic) studies how coastal and estuarine of large and small sand ridges on the seafloor to determine the best locations of exploration.

The University College of Cape Breton, in keeping with its mission to combine university liberal arts and science traditions with technological and vocational programs, is developing a new program area targeting the development of the region's offshore petroleum industry. This program will establish a Centre of Excellence in Petroleum Development, while engaging in applied and practical research. At the same time, it will meet the need for trained workers. UCB's program is offer a three-level Petroleum Education Program: Certificate Program in Petroleum Development and Petroleum Operations, a Diploma in Petroleum Engineering Technology, and a Bachelor of Petroleum Engineering.



Young Girl Refuses to Sign Aut. After Breakup of Young Girl Friend

The Nation's Business



Castro's man defends the Cuban crackdown

This supplement has concentrated on the recent activities of the oil and gas industry in Atlantic Canada today. Current production, exploration activity, a growing supply and support infrastructure, and the introduction of natural gas as an energy source, to the region, all point to steady growth over the next few decades.

In the lower Cretaceous, the White Sea and Western fields will add their production to Ekibastuz and Tuzsuz. The estimate of recoverable oil for the basin now seems conservative. Estimates of recoverable natural gas in the Scabier Shelf are more than double the present resources of the Irk-SUP basin.

Between 1985 and 1998, there was an expenditure of almost \$700 million in exploration activity in addition to the known KRC Basin and the Sussex Shelf. The coast of western Newfoundland, the St. Lawrence Basin and the Labrador Shelf are sites of intense seismic exploration activities in western Newfoundland, Nova Scotia, and New Brunswick.

In September 1999, the Canada-Newfoundland Offshore Petroleum Board received bids for over 620 000 m³ of cementing over 2155 million in exploration over the next five years. In December 2000, the Canada-Newfoundland Offshore Petroleum Board issued the initial callbook call in the history of the Nova Scotia offshore. 20 licenses covering 2.2 million ha.

Two recent studies corroborate the optimistic picture. The first, benchmarking the Polish and Atlantic Canada's E&E and San industry, was undertaken through the initiative of the Atlantic Canada Opportunities Agency and provincial industry associations. It shows that while local reports the likelihood of a new development, approach to commerce, more than to

NOTE: In addition to the publications listed above, these Web sites are useful: www.gmco.ca/petro, www.sop.com, www.enrgo.com, www.bourse.ca, www.bullnet.com, www.kpmgnewspaper.com, www.petermont.com, www.hill-hill.ca, www.distributors.ca, www.fish-fish.com, www.garmin.ca/Motor, www.pj-400.co. Scott Stewart, the industry's best magazine, is published six times per year. The best overview of the Canadian oil and gas industry is Our Petroleum Challenge, published by the American Communication Foundation. Its Web address will appear in the next issue.

The Atlantic Canada Opportunities Agency (ACOA)

The Atlantic Canada Opportunities Agency (ACOA) works collaboratively with the provinces, municipalities and the private sector to help build a stronger regional economy. It is now clear that the oil and gas industry will provide a powerful engine for regional economic growth in the decades ahead. This supplement attends to the seasonal growth in that sector.

ACON is proud of its association with the industry. In a broad sense, ACON has contributed by helping build a better technology infrastructure and more entrepreneurial society and also by promoting foreign investment in Atlantic Canada. Specific contributions include funding for research and

marketing, planning, and business standards for
 firms pursuing new opportunities.

In the past three years, AGRA has funded three studies in the industry including financing the Polarstar which is cited in this supplement, in cooperation with the presence of Prince Edward Island. The Agency has funded a review of a proposal to build a gas pipeline to the island over the last several years. AGRA has provided significant funding to the Newfoundland Offshore Industry Association (NIOIA) and the Offshore Technology Association of Nova Scotia (OTNSA).

In terms of business input-sensitive costs, the IFMIO costs of students show the major urban

chairs in Atlantic Canada enterprises most often surveyed since, both nationally and internationally. This means that Atlantic Canada is one of the most cost-effective locations for setting up and spending a business. Commenting on the economic climate that he and his colleagues have helped create, the President of ACOG, Mr. David MacIsaac, stresses: "In our certain many Canadian entrepreneurs will recognize and seize these opportunities."

Canada

4. For Newfoundland, the effects are substantial. This will be the largest stimulus to growth since the Second World War, with sustained effects of more than 30 per cent of real GDP and peak effects of 50 per cent of real GDP by the middle of the next decade.

- Although the effects in Nova Scotia are about one-half of those in Newfoundland, the impact is still very significant, contributing to sustained growth of just under three per cent of real GDP.

- Most market participants expected to flow through New Brunswick and Prince Edward Island to New Brunswick. The impact is concentrated on the related benefits to customers of the two jurisdictions as opposed to the two

benefits flow principally from the induced spending from households in other parts of the region.

- Over \$17 billion of new investment could take place in Atlantic Canada over the next 10 years.
- Close to half of the total capital spending is attributed to electric utilities investment; 36 per cent reflects the substantial investment and restructuring of oil and gas (with approximately 17 per cent in pipeline construction and related gas distribution).
- During 2009 construction an average of \$1.5 billion will be added to the Atlantic economy and \$2.5 billion to the rest of Canada economy.
- Rising the production (over 2008-2009) the direct effects are more concentrated in Atlantic Canada with annual outputs averaging \$1.5 billion across 7000 facilities in the rest of the province.
- Cumulative employment peaks equivalent to 330,000 person years if employment are expected for Atlantic Canada up to 2013, with the bulk of the employment peaks 167 per cent in Newfoundland Atlantic employment areas. The output will peak at 200,000 person years at the midpoint of the last decade.
- The results of this study confirm that energy will be a strategic industry for Atlantic Canada in coming decades. It has grown greatly throughout its position as a supplier of energy products to world markets. The industry will provide a crucial and long lasting stimulus to output and employment across the region. This industry will be a main-line open sector to build a stronger and more competitive economy in Atlantic Canada.

ningpo.com www.hibernia.ca www.bulletin.com
 www.hill.af.mil www.fishbase.org www.who.int

A TASTE OF FREEDOM

Giving up hope of ever being exonerated, David Milgaard escaped from prison

For 23 years, Joyce Milgaard battled the judicial system until finally, in April, 1992, she won. That is when the Supreme Court of Canada overturned her son David's conviction for the 1969 murder of Saskatoon nursing assistant Gail Miller and returned to him the freedom he had lost at the age of 16. It is one of Canada's tragic tales of justice gone wrong—and of a mother's dogged devotion. In the newly published *A Mother's Story: The Fight to Free My Son David*, Milgaard recounts her struggles to convince authorities that her son, a restless school dropout, was innocent of the crime. David was finally exonerated by DNA evidence that implicated another man, but not before giving up hope in the sometimes-brutal prison environment. In her book, Joyce Milgaard tells how, after 11 years behind bars, David escaped from custody, bleached his hair and changed the big-city personas of Toronto for 2½ months, until police shot him in the back and returned him to prison.

On Aug. 20, 1980, two days before David was to get out on a pass to attend a barbecue party for (his brother) Chris' 27th birthday, he sat and sat with prison officers. Once again they told us that David could not be considered rehabilitated in their eyes until he showed remorse. In addition, the prison officials said they didn't think David could function on the streets, since he had been in custody for so long. It was so ironic and to be heartbreaking. They got into about a long-range plan for David to get into a halfway house, but it was made clear that he wouldn't get a taste of freedom until four years or so down the road. He had spent 11 birthdays as a prisoner, and the prospect of at least another four was too much to imagine. David left that parole meeting quietly planning to escape.

We had been planning the family barbecue for weeks. We were living then at Quail Ridge, a townhome property in St. James at the west end of Winnipeg that I purchased, and it had a lovely country club and tennis court. (David's sister Susan was playing racquetball with David's guard when David and (his other sister) Maureen disappeared together. [David's father] Lorne and I were



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busy preparing the food and didn't think much about it until the guard came back after finishing his game to ask us where David was. The search began in earnest, and we discovered Maureen's car was gone. The guard and I began drove around the area, thinking perhaps Maureen and David had gone all joyriding. It seemed an eternity, and finally the guard reported David missing. The phone rang, and it was Maureen, and she was sobbing. She told us that David had loved her out of the car, took whatever money she had, and left her.

It wouldn't be until much later that we learned the truth. Maureen helped David escape, then guarded him secret to protect us. We then learned that after he and Maureen left Quail Ridge, she drove to a drugstore to get bleach for his hair and dyed it for him. As he left, David said to Maureen, "Just tell Mom and Dad I have to go. I can't go back."

Wednesday nights are my Christmas Science church nights, which David loves. One Wednesday night shortly after this, I returned to my car after church and found a note on the seat. I knew it must be from David. The next Sunday, I left in my car with money stashed on the front seat when I went to church. I could hardly wait for the service to end, and when it was finally over, I rushed to the car and sure enough, the envelope was gone. Shortly afterwards, I got a letter from Toronto with no return address on the envelope:



BEHIND BARS
On the loose in Toronto for 2½ months until police received a tip

Dear Mom,

Where to start and what to say... I am happy... I have a job starting Wednesday, it is part-time 4 hrs, 6 days a week but a start.

I have met a few people and somehow really I must provide a better manner of self-defence in the sense that before I've been doing or living in a very handsome sort of fashion. Freedom is beautiful and Toronto a place that has a strong pulse, if you like, compared to Winnipeg's idle life.

I keep asking myself what is my direction, what do I want from life now and I only come up with to enjoy it. Maybe that will define myself somehow, I hope so.

Tell father for me that I hope he understands my leaving and that I care for him and hope he knows that.

I wish I could come home. Every year wanting only that and then putting myself in a position where I can't have what I want most. I love every one and miss you all.

If I could understand what life has been as it has for me where I am to go to, where I've come from, I would be content, but it all means so much... I shall continue to seek good in others and do good as I am it.

I love you,
David

A little while later, my brother phoned from Toronto and said, "The package that you sent has arrived." Of course, I hadn't sent him a package. His code was easy to follow: "Oh, that's great. I'll get back in touch with you." I replied. I called back from a phone booth and talked with David. He had hitchhiked to Toronto. There he changed his name to Ward McKenna, got a job in telephone sales, and was soon making \$600 a week selling Grolier encyclopedias. He had fallen in love with a girl named Rhonda whom he met on Yonge Street. He wanted to be an actor, but on one condition—I could talk to him about turning himself in. I decided to go.

I knew I was turning my back on my mother. I knew I was terrified that I'd meet someone I knew. I was also scared because I knew I was doing something wrong, that I should be turning David in. But I couldn't erase the memory of his voice when he told me on the phone, "If you come here, don't come with the intention of talking me out of it." When I saw David in Toronto, there was a serenity about him that I hadn't seen for years. That look had almost died when he was in prison. There was no way I could shut that door on him.

Despite the publicity, David wasn't looking over his shoulder, and would stroll down busy Yonge Street, soaking up the sun and smells and rhythms of the city's main street. He was determined to answer every moment of freedom. David and I thought that if he could stay out for a while and show that he could function, he would prove the prison authorities wrong. He would show them he could survive outside prison as a productive, peaceful person. It was crazy, but that thought with red as was crazy.

We had a wonderful time in Toronto. We took long walks together. We attended church and had a beautiful Thanksgiving dinner in a restaurant. I went shopping for clothes for him. We found him a furnished apartment in a house, and I bought him a car that he had to, and some clothes, including a parka. They were all the maddening things we had both missed so badly.

David later wrote to me, "My success and sense of serenity was shattered only by the fact that I could not share it [freedom] with those that I love, my family." Meanwhile, in Toronto, a new man at David's work needed a place to stay, and David took him in after telling him, "No drugs. I can't stand any more." The man caught on that David must be hiding something from the police. When the young man left and quickly got into trouble with the police, he told them he knew someone they were looking for.

The man David helped said later that he wanted to meet him to thank him for all of his help, and they arranged a get-together near the corner of Queen Street and Roswell Avenue, in the Parkdale district. When David arrived, he saw two big men who looked like police. As he walked by them, one of them said, "David?"

"Excuse me," David replied, looking into a man. Unknown to him, he was running directly into a building of police in a parking lot. They yelled for him to stop, and he did, raising his hands above his head. There was a single shot from a double-barreled shotgun anywhere and David was down in the pavement, bleeding. The police had lodged in his spine, and David never had his last use of his legs forever, as well as his taste of freedom, which had now ended after 17 days.

Press questions were asked about the shooting, since David was believed to be a witness killer and had no public sympathy. Besides, maternity and a few close friends, who really could police said they thought David was armed when they shot him. When news was moved by the press said police could have easily reached out and tipped him, but the officers who had mistreated David and his mother said they never heard the police identify themselves as police officers and no one had anything about David actually having a weapon.

I flew back to Toronto to comfort him. There was a police officer outside his room at St. Joseph's Hospital and David was handcuffed to the bed. I sat on his bed, rubbed his feet, and told David that I loved him. He looked so frail, so helpless, so pale. He later explained that he had to escape, despite the risk, because he was doing a little bit something about his mother. I said my first time.

That was a turning point for me. I stopped placing blame in people or people or politics or any part of the system that had already killed us so badly. ☐



(known) when he starts a novel he has no idea of its end

The master of crime

Elmore Leonard's 35th novel shows him at the top of his form

BY ANTHONY WILSON SMITH

When it comes to the art of how to do cool, Elmore Leonard wrote this book—in every way. First, there's his new novel of the same name, which landed to a position near the top of North American best-seller lists almost immediately upon its release last month. A sequel to one of Leonard's most popular previous books, *Get Shorty*, it marks the return of Chub Palmer, the soft-spoken, hair-dressed-in-a-mess producer who was played to perfection by John Travolta in the similarly titled 1995 movie. Then, there's the 75-year-old Leonard, whose courtly manners, neat style of dress, well-trimmed trademark mustache and obvious affection for his family render him the opposite of many of the seedy, disheveled characters who populate his books. In Leonard's case, he achieves odd precisely because doing so never seems to be a priority. In fact, said Leonard, while he poked over the contents of his dresser at a posh Toronto restaurant last week, "One mistake no one should make is to presume my books are autobiographical."

For the most often described as the best English-language crime writer—and one of the finest overall fiction writers—previous and writer in private life matter. Leonard has followed the same habits with all of his 35 books since 1953. He writes every day of the week, in longhand, adding rather than cutting copy as he edits, and never takes more than six months to finish. When he begins a book, he has no idea how it will end. Instead, he says, "I know where the plot is going at the same time as my last character."

Those habits produce quantity and quality. Leonard's admirers include British novelist Martin Amis, who calls Leonard "a literary genius," many book critics, and virtually every film producer in Hollywood. The movie rights have been sold for more than 30 of his books.

Leonard has been compared to the legendary Raymond Chandler—but bristles at that. "For one, I don't do genre eyes," he says. "For another, I don't do good guy/bad guy stories. My people are more ambivalent than that." Leonard's people live in downright suburban

THE CODE OF COOL

Elmore Leonard loves by precise writing rules—some of which fly in the face of custom. Several of his axioms:

Never use adverbs.

"They're unnecessary over-writing, and they slow the story."

Don't write long descriptions.

"They get in the way of the action."

Don't say much about the lead character's background or appearance.

"People want a story through the lead's eyes, not a lot of analysis and thoughts."

Don't always supply happy endings.

"Real life isn't that boy."

He lives in Bloomfield Hills, Mich., outside Detroit, with three of his five now grown-up children living in houses less than two kilometers away. He seldom reads other contemporary authors, except perusing and describes his favorite pastime as watching television—"usually documentaries." Born in New Orleans but largely raised in Detroit, he was a sailor in the Second World War, studied English at the University of Detroit after the war, and became an advertising copywriter in the city. He published his first short story, a western, in 1956, and wrote five novels over the next decade before quitting advertising to write full time. Leonard switched to contemporary

novels in 1968, and developed a cult following. With *Glitz* in 1986—a tale of a wounded, recovering cop, and the revenge-driven psychopath killer that he sent to jail—he won his first big sales and rave reviews.

But before, and since, the world that Leonard sketches has not remained unchanged—a place where word-savvy nabobs, and snafus, shocking violence is never more than a flick of the page away. *Be Cool, We Get Shorty*, skewers the pretensions of the entertainment industry. It opens with Chub Palmer having lunch with a charming hood named Sammy Adams. When Palmer goes to the restroom and re-emerges, a gunman appears and blows Adams away. With that, the action—punctuated with the rapid-fire dialogue that characterizes Leonard's books—begins.

Almost everyone who reads *Get Shorty* will enjoy *Be Cool*. One reason is arguably the best: it's a first book, first plot, and a first character in the film, prose and screen. The first book revolved around Palmer's effort to make it in the movie industry, in *Be Cool*, he takes on the same business. The lead female character in *Be Cool* has a talent, undiscovered singer. The first book featured Chub doing lunch with a beautiful black hustler, accompanied by his hailing bodyguard, who is trying to break into show business. In *Be Cool*, there is a black hustler

named Ray with the same ambition, and his hailing bodyguard, a Senegalese named Eliot. Despite that, Leonard says, with a slight sigh of impatience, "I don't see any real similarities in the characters."

But *Be Cool* has other qualities that fans have come to admire in Leonard's work. That includes that genre, a crime page, the sharpest ear for dialogue in modern literature and some of the most finely drawn characters. Although Leonard's characters typically feature a disparate mix of white trash (marginalized with Hispanics and blacks), he never uses a generic like phoning someone to mark their speech patterns. Consider this sentence from a black convict in Tom Wolfe's *A Man in Full*: "The whole pod, bruh-dah, whole pod, dey was quibblin' dey big molot-c-down wif one new fish, you bruh." That describes how others in the penitentiary greet a new prisoner. In contrast, Leonard has the harder Ray say, "This why Chub Palmer was taking Nelsy did he know where Joe Loop was. What he was saying was, he knows." Leonard's readers never need an interpreter to understand the characters.

Leonard considers atmosphere and the personality of his characters crucial, and rewrites any sentence that sounds unusual when he speaks it out loud. For realism, he interviews everyone from best cops and bad handmen to prison guards and convicted killers on South Row. Almost all his characters have reasonable names, including Teddy Magg's killer in *Glitz*, Ray Barlow and Ray Bower. In *Glitz*, a gangster in *Get Shorty*, and Joseph LaBrea (a former Secret Service agent turned photographer in *LaBrea*). Once he decides on a name, Leonard says, "that tells me who the person is." He carries a notebook to scribble down surnames and notes that catch his ear. The results ring true—even to real life cops. Leonard says that his real-life model for Chub Palmer, who he does not name, hears from his Brooklyn, hoodlum friends, "who tell him they love my books for their authenticity."

Leonard's books are published in more than 30 languages, and he often receives fan mail from such places as England and Germany. "I wish," says Leonard, "that I spoke another language just to figure out what my characters sound like in translation. I find that idea starting. No more so, surely, than readers find the speech which his characters speak, dispassionate and change moods. In *Be Cool*, a character who seems fixated on his own happiness suddenly turns into a remorseless killer, battering someone to death. In other books, likable characters are dispatched not as a plot device, but because "in real life, bad stuff just happens."

That may be, but the bad stuff in Leonard's life seems behind him. Once a heavy drinker, he quit cold turkey in 1977, and now makes do with decaffeinated beer. His first marriage, which produced all his children, ended after 27 years in 1977. His second wife, Joan, died of cancer in 1993, but several months later, he met his present wife, Christine, whom she showed up at his door as head of a low-income crew.

Professionally, the disconnect was between Leonard and Hollywood as others. For years, the film industry made bad, cheaply produced movies of his books, but that has changed. *Get Shorty*, *Out of Sight* (starring George Clooney and Jennifer Lopez) and *Jeepers Brouse* (directed by Quentin Tarantino) are big budget, critically praised pictures that Leonard likes. What's more, the film industry is now making movies that Leonard wants to make. Tarantino wants to make a movie about Chub Palmer.

When someone suggests that the Chub Palmer books are wicked satires of the entertainment industry, Leonard looks briefly surprised and annoyed. "I write things as they are," he says. "You'd have to be crazy to waste time making that whole scene look after." And besides, in Leonard's rambling, unpredictable world, satirical and reality often live, as in real life, within the same people. □



Kevin Spacey and George Clooney in *Get Shorty*: the ideal soft-spoken badcase Chub Palmer

A rogue's progress

David Gilmour plunders his colourful past

LOST BETWEEN HOUSES

By David Gilmour
Gilman House, 228 pages, \$29.95

Talk dressed in black, and tirelessly inquisitive, David Gilmour stands in front of a big grey house in Toronto's exclusive Forest Hill neighborhood, reminiscing about his bohemian childhood—including the day, 35 years ago, when he stole his father's brandy bottle, left it in a bedroom window and blew a chunk out of the oak tree in the yard. Today, Gilmour, 69, is one of Canada's most prominent arts commentators—a former film critic for CBC's *The Journal*, and most recently, the host for four years of *Newsweek's Gilmour on the Arts*. It is also the author of his first booky autobiographical novel, which is clear in content of sexual obsession and substance abuse has made their author as notorious as he is admired. His latest, *Lost Between Houses*, is fuelled by events that happened at home in part, in the private house, Gilmour's family, who occupied it for six years in the 1950s, lived a life, as he puts it, "of astounding privilege." They employed a black maid who, Gilmour claims, was not allowed into the living room. They spent summers at a Muskoka cottage, two hours north of the city, where Gilmour's only summer job was to drive the boat across the lake to get it.

There were showboys, however. Gilmour's stockbroker father, John, was afflicted with depression and alcoholism. He was also, in Gilmour's words, "a serious stock man," who confided affairs with his wife's friends. In 1965, John's money problems drove him to sell the yellow house and move to the cottage, leaving Gilmour as a boarder at Upper Canada College, the elite Toronto school where he was already enrolled. *Misbehaviour* with its strict disciplinary rules, he lived away—all the way to Monaco where he met for a time with a prostitute. The college eventually took him back on the condition he tell no one about his adventures. But he got into trouble again when school authorities learned his affair with a young woman called Scarlet. She had reage-

gled him into her room in Bishop Strachan, the private girls' school down the road. Gilmour was kicked out of UCC—a punishment that he says was no punishment, in that era, "as if you were caught now beating up your girlfriend in a public place." Not long afterwards, the provocative exposure of his life turned tragic, when his father committed suicide with a small-calibre gun.

Gilmour plunders all those episodes in



The author illuminating dark corners—and spinning them?

Lost Between Houses, though he has changed his name to Simon. In its riveting recollection of teenage angst, *Lost Between Houses* recalls J.D. Salinger's classic *Catcher in the Rye*. But Gilmour's family, surprisingly moving book reflects a more liberal era. Simon's outrageous charm develops to a degree on his laid-back father's home—and on his penchant for expressing what most people scarcely dare admit to thinking. As always,

Gilmour's method is to shine a light into dark corners, even if it means exposing himself unattractively.

Lost Between Houses was a long time in the making. As a young man, Gilmour used the death of his father's suicide as a secret obsession. "I've tried to seduce women with this story," he underlined it completely. "He also tried several times to turn it into a novel, but says he 'lacked the technique.' He also had some growing up to do. In 1952, he was shocked by the sudden death from a stroke of his mother, Virginia Wells—the Soberstone-educated daughter of a U.S. steel Oil executive. Gilmour inherited \$125,000 and a large country estate—and in a few years had spent the lot on drugs, alcohol, and trips to the French Riviera. "My life didn't start until that money was gone," he says now. Twice married and twice divorced, Gilmour has two children, Maggie, 22, and Jesse, 13. Gilmour admits that sharing their care with his ex-wives, Celeste and Anne Mackenzie and sister Maggie Elizabeth, has forced him to curb his dissipated lifestyle. "Were it not for the children, I would have perished a long time ago."

Lost Between Houses actually began as another novel, which Gilmour wrote after the breakup of a highly charged affair five years ago. But he came to suspect that the work, with its graphic accounts of sadomasochistic teenage sex, was an elaborate masquerade of self-education. "I thought, if people read this, they're going to think I'm not only a liar, but a creep." So he knuckled on the door of David Lee, the celebrated poet and editor who lives not far from Gilmour in Toronto's central Annex neighborhood, and asked him to edit the novel. After reading it, Lee agreed—on condition that Gilmour show up his inner script and start again. "I thought it would take two or three months," Gilmour says. It took a year. He recalls that Lee made him rewrite one 40-page chapter six times and that he once yelled at Lee in frustration. "Why don't you just write the damn thing yourself? I won't let anybody!" The struggle to breathe life into *Lost Between Houses* proved therapeutic. Gilmour found himself making an emotional connection with a story that had degenerated into a party trick. His often wry as he wrote about Simon's parents—so very like his own. "It became more mildly aware of the loss of father than it was at first," he wrote, "he says, 'I finally learned the meaning of forever.'"

JOHN HEMKING

FILMS

Prime-time movie

A Hollywood satire about TV is sitcom glib

EDTV

Directed by Ron Howard

On the surface, *EDtv* is the latest in a long and faltering tradition of cinema railing against its toady, lower-class cousin, television. From *Naked* in 1955 to last year's *Twain* and *Shane*, Hollywood has loved to savage the small screen's exploitation ways. But *EDtv* was directed by Ron Howard and written by Lowell Ganz and Babaloo Mandel, the trio who created such pop/corn hits as *Fast Forward* and *Splash*. So, the jokes are broad and the ideas are straightforward—on light, in fact, as those found in prime time. Based on the 1994 Que bee novel *Loose XXX: Sex On Order* (Loose XXX: *King of the Airwaves*), a hit in its home province but not widely seen elsewhere, *EDtv* is about a regular guy who agrees to become the subject of a real-time, real-life, on-going 24-hour-a-day documentary. And while the film may seem to satirize the Jerry Springerization of the boob tube and of popular culture in general, ultimately it is just another formulaic Hollywood romance—yet more proof, as it were, that the film makers had the wisdom to cast McCaughey in the role, and for that reason they probably have a hit on their hands. While most of the cast may sit within the confines of their stereotypical

(Matthew McCaughey) leaves his soul to the TV devil for six figures, loses the base only demented girl (Joan Elliott) who loves him, ditches with a sexually aggressive neighbor (i.e., the devil's handmaiden, vamped by Elizabeth Hurley), sees the error of his ways, and bails out of the salacious contract. In this case, Mr. Heart of Gold is



McCaughey (left), Hurley: a hoover with two glib claws

Ed Peckory, a 31-year-old clerk in a San Francisco video store who idolizes Bart Reynolds and likes to wear a beer can thermos around his neck. But the filmmakers had the wisdom to cast McCaughey in the role, and for that reason they probably have a hit on their hands. While most of the cast may sit within the confines of their stereotypical

Unforgivable Eastwood

TRUE CRIME

Directed by Clint Eastwood

Clint Eastwood must be going through his late-life crisis. How else to explain this 68-year-old actor and director casting himself as a wailing, weeper-reporter and unrepentant womanizer, the kind of guy who goes on about his unending "love" for a story while lunging at a 23-year-old dancer? And, since on Clint, he actually has her responding, despite the age-dance folds in his neck and a face job that seems to obstruct his smile. If his latest movie were any good, all that might be halfway tolerable. But *True Crime* is as dreary as its title. It had to be believed that the director of the Oscar-winning *Unforgiven* (1992) could produce and direct a film so flat-faced, so lifeless—call this one *Unforgivable*.

McCaughy (left), Hurley: a hoover with two glib claws

As the film opens, the cable documentary channel True TV is in a big time—so much so that, as producer-director Cynthia (Eliza DeGruen) points out, she and her colleagues are getting their "burnt backs by the producing channel." Cynthia convenes senior manager Whisker (Rob Reiner) to take a gamble with the real-life documentary, and to make the subject Ed. The show becomes a monster hit, and Ed a national icon, the subject of magazine covers, newspaper polls and talk-show chat.

Predictably, the show's producers dabbles in direct Ed's life to make it more televisual. And everything goes haywire as a result. Ed's brother Ray (Woody Harrelson), turns against him after Ed successfully wins Ray's girlfriend, Sheri (Ellen Barkin). Sheri, too, descends once Ed becomes too big for his little sweet pants.

Most of the movie is sitcomish or downright crude—typical is the bit in which Ed wakes up with an erection and, unaccountably oblivious to the camera, nips and hitches in his bedsheet, shoves it out. And several characters ponder to know-gee attitude: Cynthia, the high-powered single career woman, has an Inuit-like closet full of shoes and spends all her free time exercising with a variety of cooties/pants.

Yet *EDtv* has some along. It keeps the audience engaged by participating in a variety of Ed-related scenarios, including a gay couple in New York City and residents of a fringe dorm, and to commentators ranging from Jay Leno to Richard Gere who score at the bottom line. In the end, the movie takes like a 125-minute session of sitcomish hopping. And it is about as memorable.

PATRICIA HILLCRY

It opens with Frank Beardslee (David Wain) standing on San Geronimo's death row for murder. But *Crime* quickly suggests, through flashbacks of mind-numbing, that reformer Beardslee is not only innocent, but the personification of good. True investigator reporter Steve Dunbar (Eastwood), whose career has all but gone down the drain because of his drinking, and who remembers only apocryphally that he has a dirty, much younger wife and a preschool-aged daughter.

What follows is a shabby procedural. And a stock revisionist drivel—including a hilariously cynical ending shot, played by Dennis Hopper, who is a flow reporter who pulls a monkey out of his pocket—Sweet waits on reinvestigation the six-year-old murder on the day Beardslee is to be executed. Of course, he needs out details that police, a murder trial and an appeal failed to unearth. Just how bad does this movie get? Well, it climaxes in a car chase

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Publishing

Literary ambassador

Canada's top translator links the two solitudes

Intoxicating curse words that changed Sheila Fischman during her first stab at translating a French novel into English. She had recently moved to Quebec's Eastern Townships from Ontario in the late 1960s. "I had all this university French but I couldn't say a sentence," recalls Fischman, the best-known literary translator in Canada. To

them in French, to highlight the characters' intense relationship with their church.

Such linguistic constraints are all in a day's work now for the 61-year-old Fischman. During her last 20-year career, she has played a pivotal role in bringing Quebecois fiction to English Canada. Fischman has translated about 80 French works—mostly



Fischman at home, among is her inevitable and invaluable—faithful to the author's voice

novels, many by Quebec's most celebrated writers, including Carmine, Anne Robert and Madeleine Blais. In November, she won the Governor General's Literary Award for translation for *Beau et Me*, her version of *Les Deux Amoureux* by novelist and playwright Michel Tremblay. Fischman says the award is an important validation because it translates her job is a lonely one without much feedback. "I have the equivalent," she adds, "of serious peer-review stage right before I sit down to translate every book."

Fischman also translates news releases and letters for Quebec Premier Lucien Bouchard's office. Still, her main passion is her literary work, including promoting francophone writers to English-Canadian publishers. That job, she says, was a tougher sell in the 1970s

because publishers were reluctant to take a chance on unknown writers, especially ones whose style and subject matter differed markedly from prevailing trends elsewhere. "So when English translators got hold of these books," says Fischman, "they didn't really know what to make of them." Picking the Quebecois' works eventually became easier as they became some of the leading authors of their generation.

Fischman's love of literature began early. A shy child growing up in Bay Ridge, Ont., where her parents ran a general store, Fischman retreated to books. Inspired by a francophone teacher, she excelled at French in high school. Although she took French literature courses at the University of Toronto, Fischman studied chemistry and then obtained a master's degree in anthropology before settling with her husband in North Bay, Ont. After the Toronto-based House of Anansi Press Ltd. printed her version of *La Grande Vie* by Stel. Fischman forged ahead with other translations, relocating in Montreal in the mid-1970s after her marriage ended. These days, she shares her comfortable grey stone house with her partner, filmmaker Fred Waddell, who also has won a Governor General's Literary Award for translation. In 1994, for a national work, *The Lyrical Generation* by François Ricard.

Saying she prefers staying in the back-ground, Fischman has thrived in her low-profile role. She is currently working on another French novel. She starts working by making a daily literal translation, frequently consulting her collection of 12 dictionaries. She then scales the text more creatively, seeking to until she is satisfied. Titles especially often require an imaginative touch. For Blais's 1966 novel *Sept Heures*, Fischman opted instead for *Three Prime Nights*, a recurring phrase in the book. She believes a translator should be invisible and seamless. "It's not the translator's job that should be coming out," asserts Fischman, who strives to remain faithful to the author's own style and voice. "I hope my translations read like perfectly good English with just a hint—that I can't define—of foreignness."

Fischman meets with writers to resolve lingering questions and usually gives them a finished manuscript for their approval. She often approaches publishers and offers to translate novels she finds merit under dissemination, as she did after reading *Les Rosemarte*'s acclaimed first novel, *Merci, mon ami* (Paris: Les Éditions). Bouchard, the former publisher of Montreal's *Le Devoir* newspaper, won Fischman's translation to "be like missing a literary prize, because I consider her the best translator in Canada."

Even after 30 years and countless words, Fischman still finds translating literature challenging—and fun. "I love my work so much that I quote literally back forward to it every day." Spoken like an eager novice—with the experience of a distinguished veteran.

HELEN BRUNSWELL is in Montreal

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Edited by
TANYA DAVIES

A hockey hero retires

When **France St-Louis** started playing in his hometown's hockey league at age 18, most players were still wearing white figure skates. "I had just changed to real hockey skates myself," says St-Louis, now 40. "Most people were amazed that women played a boys sport." Not any more, thanks in part to the Canadian national women's hockey team that won its fifth straight world championship on March 14 when it beat the United States 3-1. St-Louis and teammate **Geraldine Haway**, 35, are the veterans of the group, having played on all five winning teams. But now, St-Louis has decided to hang up her skates for good. "This is a great feeling," she says. "I've achieved everything I wanted to."



St-Louis: 'I've achieved everything I wanted to'

Cup for me." The latest win was especially emotional for St-Louis, who had already advised the team of her decision to retire. "The day before the final, Wick [teammate **Hayley Wickenheiser**] said, 'Let's play that out for France!'" recalls St-Louis. "I had tears in my eyes." She will now pass along her knowledge as the director of girls and women's hockey at Les 4 Glacis sports complex in Beauport, Que. "Everything has changed since I was young," she says. "Women's hockey is no longer a taboo—and these girls can play!"

Music runs in her blood

Toronto jazz singer **Carol Welsman** has music in her blood — her late grandfather **Frank Welsman** was leader and first conductor of the Toronto Symphony Orchestra. To honor him, she has recorded a traditional jazz album with a full orchestra. *Swing (as the Swing)* "I'm a contemporary jazz artist," says Welsman, 38. "So this CD is truly for him."

After high school, Welsman moved to Boston and then Paris to study music. "I sang with a jazz band for six years," she says. "But I got tired of performing, so I started writing rag music and lyrics for other artists." She returned to Canada in 1989. "I was made," says Welsman. "To continue pursuing my own jazz career," she recorded two contemporary jazz CDs, but a tribute to her grandfather was always on her mind. "I remember looking at these old TSO programs with his pictures," says Welsman. "Fittingly, she will perform with the symphony from March 29 to 31, before touring across Canada. She says, "I hope he would be proud."



Welsman: Honoring her grandfather

Distressed beyond words

Another **Drew Boston Ellis** is distressed. In Toronto to promote his latest book, *Glasnost*, Ellis is unable to escape the controversy that started with his 1991 novel, *Assume Purple*, about a yuppie who goes on a gay-killing spree. The film adaptation of the book is currently being shot in the city, over the protests of victims' rights groups who note that a copy was found in the home of sex murderer **Paul Bernardo**. The outrage "is upsetting to me," says New York City-based Ellis, 32. "I



Ellis: Writing about his generation

cannot make the leap that a book, an abstract satire, is the cause of violence."

Ellis does not shy a way from violence in *Glasnost*, either. Narrated by a woman model named Victor, the novel follows her through countless celebrity-rocked parties before turning into a tale about models turned international terrorists who capture victims. "I wanted to write about all the things that annoy me about my generation," he says in explanation, "and the generation was Victor."

Though Ellis, who is single, complains he is often defined by the characters in his books, the shy and somewhat awkward author says his life is, "actually very very dull. What makes me happy is what is happening with my family and friends."

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Education

Academy rewards

An Edmonton school gives parents more choice

After a quarter-century as both a teacher and principal with the Edmonton Public School Board, Wilma Bayko has heard all the complaints about how the public school system is supposed to be doing its job. Why is it that Johnny can't read and knows all about sailing about the history of his own country? Why have so many schools become havens for vandals and bullies? Bayko, 40, thinks many of the claims are exaggerated, but believes the underlying concern should be taken seriously. "School is not a place to come and play," she asserts. "It is not an extension of the home, the community or the shopping mall. What we are about is learning."

Starting this fall, Bayko will have the chance to put her no-nonsense philosophy into practice as principal of Edmonton's Vine Ridge Academy—a public school that will be unusual in Canada for its focus on Canadian studies and military history. While the academy has many of the trappings of a private school—including a student dress code and a strong emphasis on self-discipline, academic achievement and physical fitness—it is, in fact, part of a larger experiment by the Edmonton Public School Board to provide "schools of choice" for parents and students who find that mainstream institutions fail to meet their needs. In recent years, the board, which is responsible for 200 schools and 79,700 students, has established 20 such specialty schools—more than any other single jurisdiction in Canada. These include two Christian schools and an algebra power high. "I have never before had one on one," says Edmonton public school superintendent Enay Dossoli, who has spearheaded the move towards greater diversity. "It's not a matter of the community complying to our needs, but of us being flexible enough to meet theirs."

The development of alternative programs within the public system is a part response to the growing popularity in Alberta of both private schools and so-called charter schools—these run mostly by parents with public money. But it's also a strategy to remove underfunded schools that are threatened with closure. The Vine Ridge Academy—named for the First World War battle that many credit with giving Canada a clear sense of being an independent nation—was born as the board struggled with what to do about the 45-year-old Bonnie Doon High

School, where enrolment had dropped from 1,500 10 years ago to just 300 because of the ageing community it serves in southeastern Edmonton. Bonnie Doon was already home to a dance program run by the Edmonton School of Ballet. In coming about for what other programs might complement the dancers' considerable physical fitness and self-discipline, the idea emerged of linking the school with the Canadian military's cadet corps, which provides programs in

Junior high students Grades 7 to 10 must become members of the Canadian cadet movement or enrol in the school's dance program. Senior high students do not have to join either group, and need only have a desire to concentrate on Canadian studies. In addition to having the required courses for high-school admission, successful applicants must submit two character references and pass an interview. Alberta students are eligible to attend free of charge, out-of-province students must pay an annual tuition fee of about \$4,700.

Bayko, herself the parent of one son who was educated in the public system, believes the screening process will help ensure that students arrive with a set of shared expectations. While interviews for new students are just getting under way in earnest, Bayko is finding that many like the idea of a school where respect for authority and orderliness are emphasized. "There are kids out there who want to know that people will be held



Bayko and students modelling Vine Ridge school attributes: a no-nonsense philosophy

and instruction, outdoor pursuits and leadership skills for children aged 9 to 18.

The final, and most significant, piece of the puzzle, says Bayko, came in response to the oft-stated criticism that Canadian schools are doing little, if anything, to teach students about their country's history. Why not create a school that, while following the provincial curriculum, highlights the achievements of Canadians in the arts and sciences and zeros in on such generally neglected subject areas as geography and Canadian military history?

For its inaugural year, the Vine Ridge Academy will offer classes in Grades 7 through 10, expanding over the next two years to include Grades 11 and 12. Bayko is expecting a student population of 400 this September, and about triple that by 2001.

accountable and everyone is responsible for behaving themselves," she says.

Daniel Park, 16, who has already been accepted at Vine Ridge, is one such student. A member of the cadet program since age 9, the Edmonton teenager hopes the academy will prepare him for a career in the Canadian military. "Daniel does better at the cadets than at anything else," says his mother, Jocelyn Park. "He thrives on the structure and so we thought a school that had that element would bring out the best in him." Park is especially pleased that she did not have to look outside the public school system to meet her son's needs. "It's a big believer in public schools," she says. With Vine Ridge in the offing, her 16th has just been announced.

BRIAN BERGMAN in Edmonton



Tyrrell with parents Timothy and Truesse Durck, a bevel in prayer and verbal remedies

Faith or medicine?

A judge orders chemotherapy after a boy says no

Around the time of his 13th birthday last Oct. 1, Tyrrell Durck slipped while getting out of a shower. The next day, with his right knee sore and swelling, his parents took the boy to a doctor. Medical examinations led to an unrelated but shocking discovery: a painlessly lethal cancer in the boy's thighbone. It also set in train a jarring collision between medical science and Tyrrell's Christian fundamentalist parents. Doctors say that Tyrrell's only hope of survival lies in chemotherapy—and possible amputation of his leg. But according to testimony in a Saskatchewan last week, Tyrrell and his parents—described by a psychiatrist as holders of "right-wing, fundamentalist, faith-based" views—want him to go to a clinic in Tijuana, Mexico, for treatment built around huge doses of vitamins and a special diet. After a three-day hearing last week, Justice Allan Rocker ordered the boy to continue conventional medical treatment. Tyrrell's father, Timothy, also declared, had persuaded his son to place "his hopes for recovery on a cure that does not exist. This is simply cruel."

That did not settle the issue. Taken to a Saskatchewan hospital by his grandparents following the judge's ruling, Tyrrell identified

to a blood test, then walked out, telling reporters "I'm still refusing treatment—I'm just not going to do it." Later that evening, after government officials ordered the Durcks' lawyer to get the boy back to hospital, his parents restrained him. However, at week's end all parties declined comment on whether Tyrrell was receiving treatment. Meanwhile, the Durcks launched an appeal against Rocker's judgment, a move that automatically suspended her verdict. The provincial court of appeal was expected to hear the case this week.

The dispute over medical treatment for the Grade 8 student raised troubling ethical questions over how far the state can go in protecting children against the wishes of their parents—and the child's own beliefs. It began almost as soon as doctors diagnosed him in November with osteosarcoma, the same cancer that killed Terry Fox, the gutsy Marathon of Hope runner who died in 1981 at age 23. Confronted by the Durck family's opposition to conventional medical techniques, Saskatchewan's social services department won a court order permitting the boy to live at home, but giving the department authority over health-care decisions. That allowed physicians to begin chemotherapy—until March 1,

when Tyrrell himself released further treatment. The case went to court again, this time to decide whether Tyrrell was competent to make his own medical decisions.

During the hearings, the fundamentalist beliefs and commanding personality of Timothy Durck emerged as central issues. At 6'11 and imposing man, Durck, 36, works as a truck driver and lives with his wife, Truesse, and the couple's three children—Tyrrell has two sisters, one younger, one older—in Maricopa, about 12 km north of Saskatoon. In the Durck household, the court was told, Timothy Durck is indisputably in charge. According to psychologist Josephine Nanson, the family "has a very traditional structure, with all the decision making authority vested in the father. It would be very difficult for Tyrrell to make a decision different from his father's."

Nanson and another child development expert who interviewed the boy agreed at the hearing that while Tyrrell has the mental capacity to decide on his treatment, he possessed inadequate medical information on which to base a decision. Nanson said she believed the power of prayer, herbal remedies and alternative therapies in Tijuana would give him an 85 to 95 percent chance of recovery—and that he might not have cancer at all, but a "benign tumour" related to his rapid growth over the past year.

According to the boy's oncologist, Dr. Christopher Mpsia, there is no such thing as a harmless tumour. Mpsia, whose own estimate was that Tyrrell had a 65 percent chance of surviving with conventional treatment, said he tried to explain things to Tyrrell—"but I've never been able to speak to him on his own. His father didn't want us to do that." Mpsia recalled the day when Tyrrell announced that he would withdraw from chemotherapy. During a discussion with the boy and his father, said Mpsia, Timothy Durck reminded him not that he had something to tell the doctor. "He said, 'Yes, Dad,' then he went on to tell me he didn't want my more treatment."

Although Canadian courts in recent years have frequently intervened to permit some medical procedures against parents' wishes, Bernard Dickson, a University of Toronto expert in medical law, notes that there is also legal doctrine which accepts that "mature minors" can be competent to make medical decisions for themselves. "Such decisions," adds Dickson, "must be free and independent—and where a child is strongly under the parental influence, then objective medical evidence must weigh heavily in the balance." By week's end, one crucial piece of medical information that remained unknown was the extent to which the cancer in Tyrrell Durck's leg might spread as lawyers, doctors and his father struggled to decide his fate.

MARK NICHOLAS with
JULIAN FRANKLIN in Saskatoon

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In praise of Martin Brian Mulroney—so there



On Saturday last, March 20, while you were on the phone, spring arrived, and M. Brian Mulroney, the 18th prime minister of Canada, turned 60. Happy birthday, eh?

The boy from Saint-Camille is now actively retired from politics—he describes himself as a "former politician." But he keeps busy, earning a living in a wider world, making friends and influencing people who, if asked, would guess March 20 was somewhere in Vermont.

He came to office as prime minister in September of 1984 and announced his resignation in February 1993. He was two over wheeling quadrics and was, for a time, as popular a prime minister as anyone could remember. As Oscar Wilde said of someone else, Mulroney "had to face every difficulty except popularity." It was not over that, but people forget.

In a recent issue of *Seam*, a magazine published by the Canadian Media Guild, a man is pictured with his nuclear family, at first glance this could be an advertisement for Ovaltine or someone's project. But it is a personality profile, and the family man is the subject. A legislative correspondent in a western province, he is asked and answers questions such as these:

Q. Which being person do you most admire?

A. Nelson Mandela.

Q. Which historical figures do you hold in most contempt?

A. Adolf Hitler and Brian Mulroney.

Detractors of our 18th prime minister have never lacked for excuses. Still, the legislative correspondent seems, by his family portrait, an otherwise normal young man with a wholesome, hard-core family. Do they sit around the breakfast table talking current events, comparing Hitler to Mulroney?

Answer: 0 & A in the negatives.

Q. What is your most cherished characteristic?

A. Honesty and compassion.

Good to know.

It's serious, this engaging, self-indulgent, over-worked political version of road rage. It can't be good for the nation's health and

it's a hazard to the national psyche. The country suffers from a cognitive dissonance which I sometimes fear may outlast the bull market. It could seep into the next referendum—an unconscionable waste of time and energy.

Obviously, not preferring Brian Mulroney to headcheese or his cousin a lot of people feel better. Some suffer a surplus of negative emotion, like static electricity discharge, and they work it off thinking about Brian. It remains a question for our times, does waiting this angry leave them exhausted, the bile ducts clogged, all reason spent? Could this account for the persistent popularity of the present government and its leader? Are Canadians too peopled to protest?

Brian Mulroney would have made the American funeral. Who seized the holder by the throat? Not our birthday boy. Whose government introduced pepper spray? Which government official said "dine the old folks" pensions? Who promised to "rescue" NAFTA, by doing? Who promised to abolish the GST, and didn't? Who truly hates the CBC? Who killed the Canada Assistance Plan and passed the buck to the provinces? Who created the largest population increase in the homeless and in an employed youth since the Great Depression? Don't blame Brian.

Blaming Brian has been our national crutch, our free flight from reality. It has become cover for inept government, thoughtless policy, and reckless partnership. So long as politicians can exploit the Mulroney syndrome, accountability becomes elusive while responsibility takes a holiday.

I'm not arguing against the government, and I'm not saying put the other guys in, I'm saying get over it. Enough already. I know Martin Brian Mulroney, and it's unfortunate so many of his critics never did. This breath is good. He doesn't smoke, doesn't drink and, I'm beginning to believe, doesn't give a damn what his detractors say—he will outlive them all.

Someone told me Mulroney walked into a Toronto restaurant a while ago and the crowd gave him a standing ovation. It was soon after the government swallowed itself over the Airbus affair it was by way of saying sorry. The victim of a thousand cuts and calamities, he looks today unmarked and—as Arthur Moberg once described himself—unwounded and unrepentant. He's healthy and 60, he's having a life. I know saying this upsets some people, but they should get a life, too.



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Alan Fotheringham is on vacation. Dalton Camp is a columnist and news editor and was senior adviser to the federal cabinet as the Privy Council Office between 1986 and 1988.

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